Austria	Sch. 15	Indonesia	Rp 7500	Portugal	Esc 65
Bahrain	Din 0.650	Italy	L 1100	S. Arabia	Rls 6.00
Belgium	BFr 35	Japan	Y650	Singapore	S$4.10
Canada	C$2.50	Jordan	Fils 500	Spain	Pts 95
Cyprus	Mils 600	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	DKr 7.00	Lebanon	LL 6.00	Sweden	SKr 8.50
Egypt	EE1.00	Luxembourg	LFr 35	Switzerland	SwFr 2
Finland	FmK 5.50	Malaysia	Rm 4.25	Taiwan	NT $65
France	FFr 5.50	Mexico	Pes 300	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 160
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
Hong Kong	HK$12	Norway	NKr 6.00	U.S.A.	$1.50
India	Rup 15	Philippines	Pes 20		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,145 — Friday October 14 1983 — D 8523 B

The great divide among U.S. banks, Page 4

NEWS SUMMARY

GENERAL

Spain to tighten bank liquidity

The Spanish Government yesterday announced measures strengthening the authority of the Finance Ministry and the Bank of Spain to control overall liquidity, and extending the scope of compulsory reserve requirements imposed on the banking system.

The Cabinet approved a bill aimed at putting a check on quasi money instruments and in particular on new kinds of commercial paper. This short term market has grown sharply since the authorities imposed monetary restrictions – by raising banks' reserve requirements – in April and August.

The measures announced last night still have to go to parliament. They are expected to hit the profitability of industrial banks and cut into the earnings of foreign banks.

Lebanon talks

Representatives of Lebanese political factions met in Beirut to prepare the way for the first session of the National Reconciliation Conference, the first such meeting since civil war began in 1975.

Meanwhile in Tripoli the death toll from fighting between Communists and Islamic fundamentalists rose to 60. Page 7

Bremerhaven protest

Police outnumbered 2,000 West German demonstrators against nuclear missiles as they began their promised "hot autumn" of protest by blockading a U.S. army barracks near Bremerhaven. Page 18

Sindona faces trial

Michele Sindona, the Italian financier serving a 25 year sentence in the U.S., is likely to be sent to Italy in the next few months to stand trial for fraud in connection with the Banca Privata Italiana crash in 1974. Page 3

Windmill voyage

French explorer Jacques Cousteau, 72, set off for the U.S. from Tangier, Morocco, aboard a 42-tonne, wind-powered catamaran with no sails, called Windmill.

Mexican mine deaths

Eighteen miners were killed and three injured when a cable snapped and a lift fell 275 metres down a shaft at the San Juan Pachuca silver mine 85km north-east of Mexico City.

Filipino women rally

About 5,000 Filipino women armed with yellow flowers, candles and balloons demonstrated in Manila against the rule of President Ferdinand Marcos, who is rumoured to be in bad health.

Space shuttle inquest

Engineers held emergency talks about the next U.S. space shuttle flight this month after learning that on the last mission one of the booster rockets almost burned through its casing.

Indian border fence

India is to start building a barbed-wire fence along its 3,300 km border with Bangladesh to prevent illegal crossings.

Briefly...

Peruvian guerrillas shot dead two policemen in Ayacucho province.

South Yemen celebrated 20 years of independence.

Soviet Foreign Minister Andrei Gromyko attended a Warsaw Pact meeting in Sofia, Bulgaria.

Typhoon Joe hit Hong Kong.

BUSINESS

Recovery in U.S. consumer sales

● RETAIL SALES in the U.S. bounced back strongly in September, according to the Commerce Department, suggesting that any slowdown in the U.S. economy is less marked than had previously been widely assumed. The Commerce Department said that retail sales rose 1.6 per cent in September to a seasonally adjusted $99.48bn.

● BRAZIL'S plan to put together an $11bn financial package, more than half of which would consist of commercial bank loans, seems to have won a positive reception from a group of more than 50 Japanese and Asian banks. Page 4

● DOLLAR fell to DM 2.604 (DM 2.6145), SwFr 2.1135 (SwFr 2.123), Y232.65 (Y234.25) and FFr 7.9635 (FFr 7.9875). Its Bank of England trade-weighted index was 126.2 (126.3). In New York it closed at DM 2.6062; SwFr 2.1158; FFr 7.965 and Y232.62. Page 38

● STERLING fell 40 points to $1.50 and to DM 3.9075 (DM 3.935), SwFr 3.1725 (SwFr 3.195), FFr 11.945 (FFr 12.01) and Y349.5 (Y352.5). Its trade weighting was 83.6 (83.7). In New York it closed at $1.4978. Page 39

● GOLD rose $3.375 in London to $398.25. In Frankfurt it rose $6.25 to $399 and in Zurich $2.5 to $398. In New York the Comex October settlement was $399.2. Page 38

● WALL STREET: Dow Jones index closed up 1.73 at 1,261.38. Report, Page 29. Full share prices, Pages 30-32

● LONDON: FT Industrial Ordinary index slipped 6.1 to 686. Government Securities fell by up to ¾ in medium and longer-dated maturities. Report, FT Share Information Service, Pages 33-36

● TOKYO: Nikkei Dow index fell 90.9 to 9,472.35. Stock Exchange index lost 6.72 to 690.75. Report, Page 29. Leading prices, other exchanges, Page 32

● UK industrial output index fell to 101.3 in August from July's 101.7 (1980 = 100). Page 8

● SPAIN'S telephone monopoly is offering a one-for-five rights issue to raise Pta 33.6bn ($224m). Page 19

● INDIA is to give substantial credits to Iraq in a bid to save 68 construction contracts worth $2.44bn. Page 5

● PORTUGAL'S Government approved a 1984 austerity budget which envisages big cuts in public spending.

● SWEDEN'S Government launched a plan to establish trade union-run investment funds which would provide money to create jobs. Page 18

● AUSTRALIAN unemployment reached a post-war high of 10.4 per cent, against 7.5 per cent a year ago. Page 7

● JAPAN faces increases in tariffs on compact audio disc exports to the EEC. Page 5

● MEAD CORPORATION, the Ohio timber and paper group, lifted sales 15 per cent in the third quarter. Page 19

● MOBAG, the Swiss contractor, was written off by its parent Motor-Columbus at a cost of SwFr 71m ($33.5m). Page 19

● SWEDISH MATCH, the diversified industrial group, increased pre-tax profits almost three-fold to SKr 20m ($26m) in the eight months to August. Page 19

● HONDA MOTOR lifted consolidated net profits 19.6 per cent to Y43.4bn ($185m) in the six months to August 31. Page 20

● RENAULT asked the French Government for FFr 1bn ($124m) towards its 1984 investment programme. Page 18

Aridor resigns as Israelis criticise dollar-link plan

BY DAVID LENNON IN TEL AVIV

Mr Yoram Aridor, Israel's controversial Finance Minister, resigned yesterday evening amid public uproar over his proposal to link the entire Israeli economy to the U.S. dollar.

The plan came under massive criticism within Israel because of doubts about its economic feasibility and the implications for the country's independence and sovereignty.

Mr Aridor announced his resignation shortly after the Cabinet went into an emergency session last night, saying simply: "In the circumstances I cannot contribute further to the Government in my position as Finance Minister."

It is expected that Mr Aridor's removal from the Treasury will have a calming effect on the economy, which has been severely shaken by some of his recent actions. It should also help to restore public confidence in the new Government of Mr Yitzhak Shamir.

Since Mr Aridor was appointed to the Treasury at the beginning of 1981, there has been a steady deterioration in the economy. Despite a number of policy switches, he proved unable to halt the widening of the balance of payments deficit, the growth of foreign debt and acceleration of inflation to a current rate of 150 per cent on an annual basis.

Mr Aridor's already eroded credibility has suffered additional setbacks during the economic crisis of the past week. But the final blow came with the publication yesterday morning of his proposal to switch the Israeli economy over from the shekel to a dollar base. Most cabinet ministers had not known about this plan in advance and were clearly embarrassed by the announcement.

In the wake of his resignation, it is assumed that Mr Aridor's plan will be dropped. The details of the programme were not revealed yesterday, but Mr Aridor said it had been in the planning stages for the past six months and that it had also been discussed with Washington.

The news of the Aridor proposal yesterday rocked a country which is still feeling the effects of the economic events of the past seven days. These included a run on bank shares, the closure of the stock market, a 23 per cent devaluation of the shekel and a 50 per cent increase in the price of basic commodities.

The banking and business community expressed deep concern over the proposal and Dr Moshe Mandelbaum, Governor of the Bank of Israel, the central bank, said he did not support the planned measures which would have included a ban on the central bank printing money.

Explaining his proposal yesterday morning, Mr Aridor said the aim was to introduce the dollar base gradually and ease the economy away from the existing universal linkage to the cost of living in-

Continued on Page 18

Tories seek morale boost from Thatcher

BY PETER RIDDELL, POLITICAL EDITOR, IN BLACKPOOL

MRS Margaret Thatcher, the UK Prime Minister, will this afternoon attempt to point the direction of government policy on central economic and social issues against a background of widespread private unease among both ministers and MPs.

MPs from all wings of the party will be looking for reassurance from her closing address to the Conservative party's annual conference in Blackpool, when she is expected to stress the priority of further privatisation and of spreading capital ownership. Several have privately talked this week of apparent disarray and drift in the Government, with an absence of decisions and incoherence of presentation.

Their worries are principally focused on the recent handling of the cuts in National Health Service (NHS) manpower, the unusally open Cabinet debate over public expenditure and the priority of tax reductions, uncertainty over regional policy and criticism of proposed curbs on rate (local property tax) increases by many Conservative councillors.

Some senior Conservatives are also concerned that Mrs Thatcher, who was 58 yesterday, may not have fully recovered from her eye operation two months ago and may be overworking. She is being urged by senior party figures to slow down. Close friends report, however, that she is showing fewer signs of tiredness than were clearly noticeable three weeks ago.

The divisions within the Conservative Party over public expenditure resurfaced last night with a blunt warning by Mr James Prior, the Northern Ireland Secretary. At a fringe meeting he appealed for reconciliation within the party but warned that part of the consensus showed signs of cracking since "some members of our party see cutting public expenditure not as a hopefully temporary and painful measure but as a moral crusade. There can be no consensus for a rejection of a mixed economy or for seeing the state withdraw from a primary role in the welfare sphere."

Mr Prior took a similar line to that recently put forward by Mr John Biffen, the Leader of the House of Commons, in stressing continued popular support for state welfare services. He claimed that the public did not seem to be "chafing" to be given greater incentives through tax reductions if these were to be at the expense of welfare services. This contrasts with the emphasis of Mr Nigel Lawson, the Chancellor of the Exchequer on tax reductions to get the economy moving.

Like Mr Biffen, Mr Prior suggested that "time, and new Treasury forecasts, may show that the extent of the supposed (spending) crisis may have been open to fairly wild exaggeration."

Mr Prior argued that any consensus should not involve any threat to the principle of equality of opportunity in education, while the NHS should not be allowed to become a second-best service.

Conference report, Page 12; Editorial comment and feature, Page 16

Philippines expected to seek rescheduling of $18bn debt

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

A MEETING of leading international banks is to take place today in New York at the request of Mr Jaime Laya, central bank governor of the Philippines, amid widespread expectations that a rescheduling of his country's $18bn foreign debt has become inevitable.

This would make the Philippines the first country in the Far East to restructure its debts since the developing country debt crisis broke last year. Until now, the problem has been largely confined to Latin America, while borrowers in the Pacific region have continued to raise money at favourable terms.

But the country is regarded as highly vulnerable in the international banking community because of the high level of its short-term debt, which stands at about $4.5bn. A recent spate of bad news on both the political and economic fronts has aroused fears that some of this credit might be withdrawn, prompting foreign exchange liquidity problems for the Government of President Ferdinand Marcos.

The loss of political confidence following the assassination of opposition leader Benigno Aquino in August has been compounded by a sharp deterioration in the Philippines balance of payments and a 21 per cent fall in the value of the peso since it was allowed to float against the dollar last week. The Philippines overall balance of payments deficit widened to $1.36bn in the first nine months of this year against $1.1bn for the whole of 1982.

Bankers attending the meeting, to be hosted by Manufacturers Hanover, said they were still in the dark yesterday about any proposals that might be put. Some felt that Mr Laya might simply want to discuss the country's 1984 economic outlook with leading creditors, but one senior European banker said: "It smells like a rescheduling to me."

Mr Laya, who like Prime Minister Cesar Virata is very highly regarded in the financial community, is understood to want to play his cards close to his chest for fear of unleashing a further wave of uncertainty at home. Asked in Manila about the meeting, a government spokesman replied elliptically: "It might be rescheduling but it could be something else, not quite that."

Bankers in Hong Kong say that a Philippines' rescheduling would be unlikely to produce a ripple effect of debt restructurings across the Pacific region. Sovereign borrowers in the Far East are less prone than Latin American countries to be lumped in one basket because their economic performance and management varies widely from country to country.

Thyssen merger talks collapse

By James Buchan in Bonn

TALKS ON a steel merger between the giant Thyssen and Krupp groups of West Germany collapsed yesterday with no great hope of any future progress.

The breakdown in the talks is another nail in the coffin of a wide-ranging restructuring plan for the West German steel industry and will have severe repercussions for Krupp Stahl, the Krupp group's financially weak steelmaking arm.

After a meeting yesterday in Bonn between the chief executives of the two groups and the Finance and Economics ministers, it was clear that on the current basis no merger solution was possible, the Economics Ministry said.

The results of the talks are a blow especially to Krupp, which had hoped to use its profitable special steels operation to entice Thyssen, Europe's largest private steelmaker, into an across-the-board steel merger.

While the companies reached consensus over the shape of the future merger, in recent months serious disagreements have emerged over valuation. In particular, the Bonn Government yesterday again rejected a condition laid down by Dr Dieter Spethmann, the Thyssen chief executive, that it take over debts of DM 1.5bn ($573m) to tidy up Krupp Stahl's books before any merger.

The Finance Ministry is said to have been willing to put up only DM 300m in aid to assist the merger. At the same time, Krupp contests the Thyssen argument claiming that its profitability on the special steels side ought to be taken into account.

Although the companies will hold another round of talks, the feeling in the Ruhr yesterday was that Thyssen is unlikely to lower its financial sights, while Krupp would not be willing to consider a special steels merger not involving its lossmaking main steel operation.

Yesterday's announcement marks the almost complete failure of a wide-ranging plan, announced in January, to meet the problems of German steel overcapacity through several mergers.

Krupp has made clear in the past that it is in a position to go it alone even if "with tears and blood," and major cuts in capacity are now expected.

New pact ends wrangle over export credits

BY CHRISTIAN TYLER, WORLD TRADE EDITOR, IN LONDON

A DAMAGING credit war between the world's rich aations for the export of capital goods, mainly to developing countries, has been averted.

The British Government said yesterday that a aew – and more permanent – agreement not to undercut each other's export lending terms was reached at the Organisation for Exonomic Co-operation and Development in Paris on Tuesday.

The pact, known as the Consensus was renewed six moaths late, and after a bitter wrangle between France and the U.S., which threatened to bring the 7-year old system to an ignominious end and to sour already tense trade relations between the U.S. and the EEC.

It emerged yesterday that the French, who had some support from Italy, had patched up their quarrel with U.S. aegotiators at an unpublicised meeting of respective treasury officials at the IMF meeting in Washingtoa two weeks ago.

In return for a small concession the French accepted most of a compromise package angrily rejected by M Jacques Delors, the Finance Minister, this summer.

Minimum interest rates that OECD countries can offer to poor and "intermediate" countries will be lowered by between 0.5 and 0.65 per cent from the weekend. More important the rates will be automatically adjusted every six months, or at longer intervals in line with the movement of a weighted average of world interest rates.

The cuts agreed this week, setting a new range of 9.5 to 12.4 per cent, should give an immediate if modest boost to world trade, officials said yesterday.

But the main achievement is to abolish the periodic bargaining sessions at which international disagreement has more than once brought the Consensus near to collapse. The automatic adjustmeat mechanism, which will start in January, is meant to give this gentlemen's agreement a stable and indefinite future.

One by-product will be to give members more time to supervise the agreement and chase up countries tempted to cheat by offering better than Consensus terms ia order to clinch overseas contracts.

Another will be to phase out the

Continued on Page 18

Midland Bank to raise $400m in U.S.

BY DAVID LASCELLES IN LONDON

MIDLAND BANK of the UK is turning to the U.S. markets for the first time to raise up to $400m in loan capital.

But unlike Barclays and NatWest, which have done the same over the last couple of years, Midland will not receive a top class rating from the New York credit rating agencies because of its poorer financial performance.

The indication from New York last night is that Midland will be rated double A rather than triple A. It means Midland may have to pay slightly more for its money, although the rating is still very high.

Midland has filed a "shelf" registration with the Securities and Exchange Commissioa which will enable it to move into the market from time to time at short notice.

Mr Michael Julien, the bank's group finance director, said yesterday that the planned financing "provides an alternative source to the Eurocurrency market for raising dollar loan capital and for longer maturity periods. Additionally, it will make the Midland more widely known among investors in the U.S."

A spokesman at Moody's, one of the leading credit rating agencies, said that while Midland had become a major international bank, there were weaknesses which prevented it being rated triple A. He cited Crocker National Bank, Midland's Californian subsidiary, which bas made large losses on real estate loans.

Midland's registration documents – which have to comply with stringent U.S. disclosure laws – also confirm that it has a significant exposure to problem Third World countries. Loans to Brazil, Mexico and Argentina amount to just over 5 per cent of the group's total loans.

But Midland is in good company. Most of the major U.S. banks were demoted from triple A to double A last year.

Lex, Page 18

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EUROPEAN NEWS

Andriana Ierodiaconou reports from Athens on fading hopes of ending an intractable Greek-Turkish problem

Mutual mistrust kills another UN plan for Cyprus at birth

"THE Cyprus problem is like an onion," a fraught UN diplomat in Nicosia said recently. "As soon as you peel off one layer several more appear."

He might have added that the problem has reduced to tears anyone who has ever attempted to solve it. The latest to be afflicted is Sr Javier Perez de Cuellar, the UN Secretary General, who last August launched a fresh and long awaited initiative for a Cyprus settlement.

The issue has been deadlocked since 1974, when Turkish troops invaded the island in the wake of a coup organised by the Athens colonels against the Makarios government. Turkish forces still occupy the northern part of Cyprus in a *de facto* partition which has segregated the 80 per cent Greek Cypriot majority from the 18 per cent Turkish Cypriot minority.

Since then the road has been littered with failed efforts to achieve a constitutional and territorial arrangement acceptable to both communities.

UN-sponsored intercommunal negotiations, which have slouched along periodically in Nicosia since 1974, have failed miserably to make any progress. They ground to a complete halt last May, when the Turkish Cypriot side withdrew in protest over the Greek Cypriot recourse to the UN.

Package deals proposed by interested super-powers and the UN have fared no better. A 1979 British-U.S.-Canadian plan failed to take off; so did a 1981 plan by Sr de Cuellar's predecessor, Mr Kurt Waldheim.

The de Cuellar initiative, it was hoped, would be different. Actively backed by Washington, which is trying to ease Greek/Turkish tensions in Nato, cautiously blessed by Moscow and not immediately sat on by either Greece or Turkey, it seemed the best chance in years for progress on the Cyprus issue. But barely two months after its launch, the initiative is in deep trouble, bogged down by internal squabbling in the Greek camp and renewed Turkish intransigence.

Mr Rauf Denktash, the leader of the Turkish Cypriot community, cancelled meeting upon meeting with Sr de Cuellar, before finally agreeing to see him on October 1 in New York to discuss the initiative.

The plan foresees a two-province federation, with a Greek Cypriot President and a Turkish Cypriot Vice-President. The Greek Cypriot and Turkish Cypriot communities would be represented in a six to four ratio on a central Executive Council. The Greek Cypriots would retain 77 per cent of the island's territory and the Turkish Cypriots 23 per cent.

The New York discussions reportedly yielded little by way of a detailed Turkish Cypriot response to the plan.

Passing through London last weekend, Mr Denktash was quoted in the Turkish press as accusing Sr de Cuellar of playing "a double game" in Cyprus, by secretly pandering to Greek Cypriot interests.

He also set an ultimatum demanding a summit meeting with Mr Spyros Kyprianou, the Greek Cypriot President, suggesting that if this did not happen he would go ahead with a unilateral declaration of independence in the occupied north of Cyprus. This would be another step towards making the partition of the island permanent.

Addressing the European Parliament in Strasbourg on Tuesday, the Turkish Cypriot leader renewed his UDI threat in stronger terms. Perhaps most worryingly, Western diplomats in Nicosia report that Ankara, from which Mr Denktash takes his cue, is now hardening its line on the Cyprus issue.

The de Cuellar initiative has not fared much better on the Greek side.

The Government of Mr Andreas Papandreou has had to be coaxed into giving public support to a new UN initiative for Cyprus. There has been a series of pious statements from Athens in favour of Sr de Cuellar's efforts, but these are not widely believed.

Spyros Kyprianou (left): still hopeful. Rauf Denktash (right): cancelled meetings

Greece feels Sr de Cuellar's plan represents little if any improvement on the Waldheim proposals of two years ago. It was Mr Papandreou himself who, on the eve of the 1981 Socialist election victory, personally advised the Cypriot Government to reject the Waldheim plan. He wanted Nicosia to wait for something better under his own Government, but this did not materialise, as efforts by the Greek Socialists in their first year in power to generate a West European initiative on Cyprus came to nothing.

But events in Cyprus itself give rise to graver doubts about the fate of the new UN plan. The surprise resignation two weeks ago of the Foreign Minister, Mr Nikos Rolandis, has left President Kyprianou as the only major politician on the island who sees a future in the initiative, and his position is being progressively undermined by domestic political manoeuvring.

It was Mr Rolandis' view that Nicosia should have agreed to an immediate return to the negotiating table on the basis of the UN Secretary General's summer proposal, and that by not doing so the Greek Cypriot Government had effectively killed the plan.

This position was happily adopted by the right wing National Rally opposition party, Mr Kyprianou's sworn political enemy, who have completely washed their hands of the initiative.

More surprisingly, but perfectly in keeping with the Alice in Wonderland quality of Cyprus politics, the Rolandis line was also backed by AKEL, the pro-Moscow Cypriot Communist Party. Just last February, AKEL struck an alliance with Mr Kyprianou, helping him to renew his five-year presidential mandate with a sweeping majority.

This alliance has now been shaken. AKEL's siding with the National Rally means Mr Kyprianou is faced with the dissent of 65 per cent of the Cypriot electorate. While AKEL is unlikely to bring the President down over the issue, it can certainly add further clouds to some already murky water.

Undeterred, the Cypriot President last week handed Sr de Cuellar in New York a document containing a detailed critique of his proposals with suggestions for their amendment and expansion. The document also detailed proposals on all aspects of a possible federal solution for Cyprus.

Cypriot diplomats returning from New York added that Nicosia is now set to launch a diplomatic offensive to try to keep the de Cuellar initiative alive. This will concentrate on lobbying Washington and other Western allies to exert an influence on Ankara in favour of the initiative.

But this may not be enough. Following his meeting with the Greek and Turkish Cypriot sides, the ball is now essentially in Sr de Cuellar's court. But faced with a hard Turkish line and disarray within the Greek camp, the Secretary General is understood to be severely disheartened.

UN diplomats report that for the moment, there is nothing new emerging from New York regarding Sr de Cuellar's next step. One possibility is that the Secretary General might try to organise a summit meeting between Mr Kyprianou and Mr Denktash, but Sr de Cuellar is reported to be extremely reluctant to make this move unless he feels there is enough common ground to ensure good prospects for success.

The Cyprus problem brought Greece and Turkey to the brink of war in 1974, risking the collapse of Nato's south-eastern flank, and it could do so again. If Sr de Cuellar's initiative fails, Cyprus will remain a political time bomb which could explode with disastrous consequences for Western security in the strategic Eastern Mediterranean region.

Marx puts in a rare Polish appearance

By Christopher Bobinski in Warsaw

WITH A strong Roman Catholic Church and 80 per cent of the land uncollectivised, it is little wonder that Polish Communist Party leaders have avoided putting Marxist ideology on the central committee's agenda for so many years.

Indeed, today the central committee will be discussing the subject for the first time since 1983—understandably, as it gives unrivalled opportunities for dogmatic critics to attack current policies.

Even as late as the summer the subject had to be dropped from the central committee after the Soviet weekly, New Times, accused Polityka, a newspaper identified with the present leadership, of revisionism.

General Wojciech Jaruzelski, Poland's military leader, judged it timely to switch the focus of debate while he made certain of Moscow's exact position.

But now, after rousing Army Day celebrations attended by Marshal Viktor Kulikov, the Warsaw Pact commander, a visit here in August by President Eric Honecker, of East Germany, and the trip to Moscow next week to pick up his Lenin Award, Gen Jaruzelski seems secure.

His supporters are predicting that only the most foolhardy of the central committee's hardliners are expected to voice their doubts about his policies.

This does not mean that, behind the scenes, the general's policy of talking to the church, and his moderate line towards private farmers is not under question. The hardliners would dearly love to propel him into a politically

Jaruzelski: secure

costly clash with these two groups.

Another crucial debate which might not surface at the central committee meeting but will continue afterwards is that on the future role of the party.

For example, Col Stanislaw Kwiatkowski, a political adviser to Gen Jaruzelski in the 1970s and now the head of the public opinion research unit, touched a raw nerve recently by attacking the party *apparat* for being little more than staid bureaucrats.

He went on to accuse them of being incapable of talking to workers. The colonel is using his position to bring together a group of ideologues who see that the party is going to have to change if it is ever to win anything like the support which workers gave to the Solidarity movement.

In a reference to the death of Grzegorz Przemyk, a pupil beaten to death by police last summer, the colonel warned: "The workers must have a decisive influence on policy, and until the party is backed by the working class, then every incident, even involving schoolboys, will be dangerous."

The hard-line weekly Rzeczywistosc, in reply, defended the *apparat*.

In a question which reflected much of the resentment many party *functionaries* feel at their downgrading, it asked: "Doesn't S. Kwiatkowski know that today there are more and more powerful centres taking decisions about ideology and propaganda than the paid party functionaries?"

Pop goes Honecker's dour image

By Leslie Colitt in Berlin

MILLIONS OF East and West Germans were startled and delighted yesterday to hear that one of West Germany's leading pop singers, Udo Lindenberg, is to perform in East Berlin later this month. This is in spite of his recent spoof hit song on East Germany's dour leader, President Erich Honecker, whom he called "Honey."

More than all the recent meetings between politicians of both countries and East Germany's removal of self-firing weapons along its border, the invitation has brought home to Germans how anxious the East German leadership is to improve the country's reputation in the West.

Udo Lindenberg decided to write his song "Special Train to Pankow" after the failure of repeated attempts to obtain an engagement in East Germany. To the music of "Chattanooga Choo Choo," he called Herr Honecker an "Indian chief" and asked why he would not let Udo perform in Erich's workers' and peasants' state?

The words of the song also say "Honey is a rocker" who secretly dons his leather jacket and listens "in the loo to Western radio."

The song reached the top of the West German charts and was taped from radio broadcasts by enthusiastic East Germans. It seemed unlikely that Udo Lindenberg would ever be allowed to perform in East Germany.

One of the lines in the song goes: "Hey Honey, for only a little money, I'll sing in the Palace of the Republic." As it turns out, Udo Lindenberg will appear on October 25 in the 5,000-seat auditorium of the White Marble Palace of the Republic.

Reports are coursing through East Berlin that Herr Honecker will be present to hear the spoof on himself. The idea fascinates the East Germans, who know their Communist leader and President as a rigid little man.

They believe that he wants personally to demonstrate that he and his country are tolerant and that—to use the headline over the humour page of East and West German newspapers—"Es Darf gelacht werden" (Laughing is permitted).

Udo Lindenberg did manage to endear himself recently to the East German Government by attacking President Ronald Reagan in an interview with the East German youth newspaper. He spoke of "fat guys" in the executive suites of Western big business who had not yet given up their dream of eliminating Communism.

Irish mediator has talks with Dunlop protesters

BY BRENDAN KEENAN IN DUBLIN

THE MEDIATOR appointed by the Irish Government in the dispute over the closure of the Dunlop plant in Cork had talks yesterday with workers amid hopes that Dunlop might restore its offer of I£5m (£4m) severance pay.

The dispute has closed the nearby Ford car plant, because Dunlop workers have shut off supplies of steel to Ford. Dunlop had withdrawn its severance pay offer because of the workers' disruptive actions.

Other workers yesterday picketed a Dunlop tyre marketing premises in Cork and placed a picket outside the city's main bus garage although services were not disrupted.

The workers have been demanding an increase in the severance pay offer which would mean a maximum of about I£7,000 (£5,550) to workers with more than 30 years' service. The Government is concerned about the effect on Ford which employs 1,100 people and whose long-term future is in some doubt.

The Dunlop workers have threatened to step up their protests further if there is not an improved offer but Dunlop is adamant that it cannot afford an increase.

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IG Metall leader warns of hardest post-war struggle

BY JOHN DAVIES IN MUNICH

HERR HANS MAYR, the new leader of West Germany's metal union, called on the 2.5m members yesterday to gear themselves up for possibly their hardest post-war struggle in order to achieve a 35-hour working week.

Herr Mayr, who has spent 20 years on the central council of IG Metall, moved effortlessly to dominate the union's conference in Munich with a rousing two-hour address after his election on Wednesday to succeed Herr Eugen Loderer as president.

But literally looking over his shoulder – and from his left – was Herr Franz Steinkühler, the dynamic 46-year-old Stuttgart unionist, who was catapulted into the job of deputy president with an embarrassingly larger majority than the new leader.

The 61-year-old Herr Mayr, regarded as a wily tactician with a keen pragmatic sense, will have three years in office before being replaced, if the union follows tradition, by his ambitious and controversial deputy.

Reflecting the increasingly tough mood of union activists, Herr Mayr declared that a 35-hour week was vital to overcome mass unemployment and said the union had proved it could mobilise its members for struggle even in times of crisis.

Herr Mayr later expressed confidence that IG Metall was well equipped for battle even if it came to strikes or to lock-outs by employers. He indicated that the union was financially strong and had the backing of other unions.

He said IG Metall had not yet formulated precise demands as to how a shorter working week should be introduced – nor its wage demand for next year – but was not going to envisage compromise at this stage.

gest and most powerful union, has thrust itself into the role of pacemaker in achieving a 35-hour week, although it is bound to lead to open conflict with Chancellor Helmut Kohl's centre-right Government in Bonn.

The union played a key role in campaigning for a 40 hour five-day working week, which was introduced in the printing industry in 1965 and in stages in the metal industry up to 1967.

Employers have claimed that a 35-hour week would raise industry's costs by about 18 per cent and would increase unemployment by hampering economic revival and export sales.

IG Metall leaders and activists have been at pains during their conference to stress the need for unity on the eve of their struggle.

Although Herr Steinkühler has risen to prominence by taking a militant and strike-prone stance, he needs now merely to consolidate his position to step up from the role of crown prince.

He was significantly absent when Herr Mayr held his press conference, which helped the new leader to assert himself.

Herr Mayr has been portrayed as a transition leader in view of his short term of office before retirement, but it has fallen to him to lead the union into a major and potentially dangerous conflict with employers and the government.

At the conference, he has demonstrated an ability to appeal to radical sentiments within the union, calling for East-West disarmament, condemning the regimes in Chile and Turkey, and warning that the union will not stand idly by while the steel and shipbuilding industries bleed to death.

Italian employers call for wage talks

By James Buxton in Rome

CONFINDUSTRIA, the Italian employers' federation, has urged the Government to start talks with the unions as soon as possible on reducing wage indexation.

The employers calculate that wages for most workers will this year rise by more than the planned inflation rate of 13 per cent, and that labour costs in general are rising more steeply than inflation and will continue to do so over the next two years. Inflation this year is expected to average about 15.5 per cent.

Confindustria wants the Government to reopen the painfully worked out agreement between employers, unions and government of January 22 this year, which made the first reduction in the effects of the *scala mobile* (sliding scale) wage indexation system.

Since then, there has been general disappointment about the limited effect that agreement seems to have on inflation, although the degree of protection for inflation given by the *scala mobile* was reduced by at least 17 per cent. The combination of new three-year wage contracts and wage indexation will this year give workers an average increase of 14 to 15 per cent, Confindustria believes. Labour costs will rise even more because of higher social security contributions and other measures introduced by the government.

The programme of Sig Bettino Craxi, Italy's first socialist Prime Minister, includes an incomes policy, of which a key element would be the reduction of wage indexation. But with many other issues sensitive to the unions under discussion, it is in no hurry to broach the subject of indexation.

The workings of the January 22 agreement are in any case due to be reviewed at the end of the year, when the communist-oriented CGIL union may press for compensation for the fact that inflation this year will have exceeded the planned rate of 13 per cent. The employers want the Government to start discussing the issue at once.

Confindustria has been joined by many economists in believing that the only hope the Government has of meeting its target of a 10 per cent average inflation rate next year is by introducing an incomes policy.

Brussels condemned in butter row

BY OUR STRASBOURG CORRESPONDENT

THE CONFLICT between the European Commission and the European Parliament over the best strategy for reducing the EEC's mountain of surplus butter came to a head yesterday when members voted to condemn the move to drop the "Christmas butter" scheme.

The Strasbourg assembly declared that the refusal by the Commission to implement its butter scheme of giving away one packet of butter for every two purchased "represents a failure by the Commission to discharge its obligations under the Treaty of Rome."

A Christian Democrat MEP Herr Heinrich Aigner of West Germany had proposed a scheme for getting rid of 100,000 tonnes of butter from intervention stocks if 200,000 tonnes could be sold with them this Christmas. Mr Poul Dalsager, the EEC Agriculture Commissioner, rejecting the Aigner plan, said it "high on cost and low on cost-effectiveness."

Mr Dalsager said that the Parliament's calculation that the scheme would dispose of 66 per cent more butter was wrong. "All our experience shows that one can expect about 25 per cent extra will be disposed of."

Mr Dalsager said that the Parliament's proposal was merely a palliative for the enormous dairy surplus problem facing the Community. The Commission's aim "is to stop extra milk and butter being produced and sold into intervention," he said. The quota system — known as the super levy which ensures that milk production over a certain level is not disposed of at a cost to the Common Agricultural Policy budget — is the commission's main weapon against the dairy surplus, he said.

At the moment each percentage point of increase in milk production results in a 3 per cent increase in butter production he told the house. But with the super levy "the arithmetic will work the other way — for each 1 per cent of reduction in dairy deliveries we may expect a 3 per cent reduction in the manufacture of butter," he said.

Mr Ian Paisley the Ulster MEP attacked the Commission for ignoring Parliament's attempts to please consumers with butter handouts. "It is time the Commission interested itself more in the needs of its citizens instead of featherbedding the Russians at the expense of the Community." Some butter has been exported to the Soviet Union.

Members carried by 57 to 20 the resolution coodemning the Commission.

Ten square up for the big fight

BY JOHN WYLES IN ATHENS

THE ATHENS meeting of the EEC Council of Ministers, which has just ended, has served mainly as a prelude to intensive negotiations on the reform of Community policies, expected to take place next month.

According to Mr Grigoris Varfis, Greece's Minister for European Affairs and chairman of the special council, tha presidency will prepare possibla draft agreements as a basis for negotiations at a four-day special meeting beginning on November 10. This is the last scheduled chance to line up a package of agreements for adoption by the EEC summit in Athens on December 4-6.

There was, in fact, little substantive achievement in the talks between the EEC foreign, finance and agriculture ministers, but diplomats and officials said yesterday that the "calm atmosphere and attempts by several member governments to suggest possibla paths of compromise, augured well

M Gaston Thorn, tha Commission president, claimed on Wednesday that it was becoming clear that the Commission's proposals would form "the backbone of any solution."

Considerable amendments can be expected, however, and a significant softening of Britain's approach on key issues would be needed

Following this week's talks, the evolving negotiation can be summarised as follows:

Agricultural economies. How to cut the volume and cost of the dairy surplus remains tha key issue. Consensus is developing around the Commission's proposal for a super-levy on producers to meet the costs of disposing of a large part of the surplus. Ireland, however, wants special treatment to enable its dairy sector to expand without penalty; Greece and Italy want exemptions because they are milk importers Britain remains critical of the super-levy and wants it accompanied by price reductions.

The need to restrain cereal prices is generally agreed, but France and others link this to reducing imports of cereal substitutes. Britain says it would block such a move.

There was no discussion this week on the Commission's controversial proposal for a tax on all domestically produced and imported oils and fats.

Control of farm spending. All delegations, save Britain and the Netherlands, and possibly West Germany, favour only a political commitment — backed up by some special council procedures — aimed at ensuring that the annual growth of farm spending is kept below tha annual increase in the EEC's budget revenues. Britain and the Netherlands hava tabled plans to give legal force to such a commitment.

Reducing Britain's net payments to the EEC budget. Belgium has called for a proposal amalgamating a Commission plan for reducing Britain's payments into the EEC farm policy with a Danish proposal to make special payments to the UK over five years. The Commission may arrive at next month's meeting with just such a union of the two in its pocket.

Britain, meanwhile, remains adamant that its "safety net" idea remains a far superior way to ensure that no member state has to make unduly large budget payments.

THE PREMIERS of France, Italy, Portugal, Spain and Greece will meet in Athens this weekend to discuss the economic and political future of Europe, a Greek government spokesman said yesterday, writes Andriana Ierodiaconou.

The idea of an informal conference of southern European Socialist leaders was conceived by Mr Andreas Papandreou, the Greek Prime Minister. He believes that a united front of European Socialist governments can lead Western Europe out of economic recession and reduce regional and social inequality.

U.S. and Italy sign extradition treaty

By James Buxton in Rome

SIGNOR MICHELE Sindooa, the Italian financier, currently serving a 25-year jail senteoce in the U.S. is likely to be sent to Italy in the next few months to stand trial for fraud in connection with the collapse of the Banca Privata Italiana in 1974.

He is likely to be one of the first people to be affected by the signing in Rome yesterday of a new extradition treaty between Italy and the U.S. The treaty, which has to be ratified by both countries, will allow those serving jail sentences in one country to be temporarily extradited to stand trial for offences in the other.

The trial of 26 others involved in the Banca Privata crash began in Milan without Sig Sindooa at the end of last-month.

Prague raises consumer service prices

By Leslie Colitt in Berlin

CZECHOSLOVAKIA has raised prices on a large number of consumer services, from TV and umbrella repairs to dry cleaning, by an average of 17.5 per cent according to the price office in Prague.

The increases follow price rises for other services last February in a move to reduce large government subsidies to the service sector and to improve its performance. The office said the latest price rises would lead to an increase in the cost of living of only 0.1 per cent.

Ice traps Soviet convoy

BY ANTHONY ROBINSON

DISASTER HAS struck the Soviet Arctic convoy route which provides the main supply line for the isolated towns, metallurgical complexes and mineral exploration teams scattered through northern Siberia.

An unusually cold summer has created thick pack ice in which a convoy of 50 ships has been trapped, according to the Government newspaper, Izvestia. One freighter has sunk and 26 others are believed to be in similar danger. The atomic ice-breaker Leonid Brezhnev is on its way with two other ice-breakers to try to free the ships.

The cold summer and early onset of winter has also caused heavy crop losses. More than 6m acres of uncut grain in central and western Siberia have been buried under snow, Izvestia said. Western experts believe up to 5m tons of grain may be at risk.

David White assesses a serious farming row

Andalucia's Communists march for land reform

THE MAN with the mule-cart made a low sweep of the arm, to show where the marchers went.

"There must hava been hundreds," he said, displaying a sparse set of peg-like yellow teeth. "Hombre, I don't know what it will lead to, but I believa in agrarian reform. It will be a good thing for the workers."

Further on, the village church was like a field hospital. It was lata afternoon, and the core-members of the march, some 75 Communist trade unionists, lay collapsed on foam mattresses after a 12-mile hike through parched olive-groves. By the end of the March this weekend, they will have walked 650 miles around Andalusia in six weeks, Indian-file, in heat that can still be punishing at this time of year.

With the March, tha Communist Workers' Commissions Union, one of Spain's two main national trade unions, has joined battla in the generations-old campaign for land reform spearheaded by a separate body, the Rural Workers' Union (SOC).

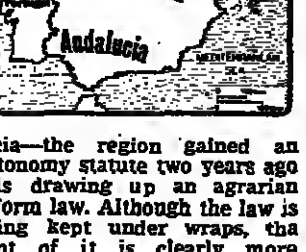
In Andalusia, a region almost the size of Portugal, where more than half the farmland is taken up by large estates representing only 1.5 per cent of the number of farm holdings, it is a potent issue, and perennial unrest has been fanned by hopes of change now that the Socialist Party is in power.

Throughout the summer, the SOC, heirs to a strong local anarchist tradition, staged work-in occupations of farms—a familiar ritual ending with expulsion by the civil guard. Among the occupied *fincas* (large farms) was the 700-acre El Indiano, belonging to the Rumasa group, whose interests were seized by the Spanish Government in February. The SOC aims to prevent this and 33 other Rumasa estates in Andalucia from now being reprivatised.

Andalucia is a region of widely diversified farming, covering every sort of crop from cereals to hothouse vegetables. But the dominance of large estates has led to charges that the land is inefficiently and unjustly used.

The precarious situation of the landless farm labourer, paid by the day, is made worse by drought—which according to a senior local agronomist may have cost Andalucia as much as a third of the value of its farm output this year—and by the return of emigre workers. Some find seasonal wine-harvest work in France, but the labour requirement in the vineyards is diminishing. The region, with a population of 6.5m, has Spain's highest unemployment—one in four, and among the under-25s on the labour market almost one in two, according to local unionists.

Amid the campaigns for labour-intensiva "social crops" and wide-scala confiscation of land for co-operatives, tha Socialist Government of Andalucia—the region gained an autonomy statute two years ago—is drawing up an agrarian reform law. Although the law is being kept under wraps, tha bent of it is clearly more towards modernising the farm sector than redistributing land. Socialists recall the failure of land reform in the early 1930s, before the Civil War.



"This reform will not be the same one that has been demanded since the 19th century," said an official in Seville. "We don't think the old redistribution idea makes much sense."

By stricter application of national laws already in force, especially one governing farmland that is "manifestly improvable," the regional Government is expected to take over a small number of farms, but only in cases where they hava been virtually abandonad. In other cases it may expropriate the use of the land, forcing owners to rent out to co-operatives. Some holdings made up of spread-out parcels of land will be rationalised. As for Rumasa, it has been hinted that its farms may be destined for pilot schemes.

But tha emphasis of the plan is on farm supplies, marketing, industrial processing and training. The aim is to bring in more intensive agriculture in a region where priorities have been distorted by protected crop prices.

Mora friction can be expected in the next few weeks when the new laws go to the regional parliament. The Workers' Commissions Union has up to now shunned anything but symbolic farm occupations, but some members suggest it may shift tactics. Non-violent occupations have worked well for the SOC.

This year's protests among the day-labourers began over the issue of community work, a system which the Franco regime introduced 13 years ago to absorb spare labour, and which the Socialists promised from the outset to replace. Around 100,000 people—the figure varies—get £8 or so a day, four days a week, for jobs such as clearing brush or cleaning ditches. The fact that most of the tasks are redundant has led to its being considered "early retirement at 18." Not only is the system felt to be demeaning, but it has also come into considerable disrepute.

Tha reform, due to coma in next year, is based on a new rural employment fund geared to worthwhile projects and training. But both the SOC and the Communists say this is not enough and the only real answer is far-reaching land reform.

Landowners are uneasy. One of Andalucia's biggest, a professed liberal who has found himself in the line of fire (and who insisted on not being named), argues that the farm sector is being dona a "comparative injustice." It is, he says, the most dynamic part of the economy. The structural problem, insofar as there is one, involves inefficient shareholdings (common in eastern Andalucia) rather than the *latifundios* (very large estates) of Seville, Cadiz, Cordoba and Huelva.

Big farms like his main estate in the rich Guadalquivir Valley are the most productive, he says. He considers his land as a business rather than a property, and thinks Andalucia could more fairly be compared to California than to the Third World.

He is anxious to see how the Socialists would stand up to pressure from the land reform movement. The Andalucia Government, for its part, is adamant that its agrarian law is not negotiable.

AMERICAN NEWS

Paul Taylor reports from Honolulu on an American bankers' jambore

The great divide between U.S. banks

THE U.S. banking industry remains deeply divided over two of the major challenges facing it, deregulation and international lending.

On these, and a wide range of other issues covered during the five-day American Bankers Association (ABA) meeting, which ended yesterday, disagreements between the big banks and the vast majority of regional and local banks were, once again, made obvious.

The smaller banks' primary concern at present is being allowed to compete more effectively with the non-bank financial institutions like American Express, Merrill Lynch and Sears Roebuck's in-store financial centres.

They want, and several leading Congressmen including Senator Jake Garn, Chairman of the Senate Banking Committee, appear determined to deliver, a "Products Bill" allowing banks to offer services such as insurance, property services and expanded securities activities.

But such a Bill faces stiff opposition inside Congress and from industry pressure groups outside.

It is also clear that some of the major money centre banks, like Chase Manhattan, who have found ways around regulations limiting banking activities, view geographical banking restrictions as a more important barrier to bust.

That worries the small banks, who fear an "invasion from New York" with cheaper and more electronically sophisticated delivery systems. They are happy anyway with the various recently established regional banking experiments like the one in New England, and would prefer to move towards inter-state banking at a slow pace.

On the sensitive question of international lending, particularly to the less developed countries, the money centre banks and their smaller counterparts also have varying views — and different perceived interests. This was highlighted twice during the ABA meeting.

When Manufacturers Hanover called a special meeting at which the big banks and Brazil's Central Bank Governor, Affonso Celso Pastore, explained the need for the latest $6.5bn loan request, only 160 smaller banks attended.

The number of banks there—160 out of at least 4,000 represented at the ABA meeting — illustrated the force of the private comments of one Ohio banker: "We don't have anything in Brazil or anywhere else like that."

And while those banks attending the Brazil meeting generally appeared willing to go along with the package, several said it was only because "we have no choice."

Similarly, while the assembled delegates listened politely when Mr Paul Volcker, the Federal Reserve Chairman, and others exhorted them to lobby for the IMF quota increase, Dr Milton Friedman got the loudest applause when he said the IMF was trying to turn itself into the "world's central bank" and should be dismantled.

One of the few issues U.S. banks can unite behind is a shared dislike of the regulators, particularly on the issue of disclosure. Federal regulators and Congress have demanded ever more public disclosure from banks and bank holding companies.

Volcker . . . urged support for IMF quota increase

The big banks fear this could further frighten smaller banks out of the international lending market, while the small banks believe more detailed disclosure about non-performing loans "could be misunderstood" by depositors and shareholders.

There was also a common theme to much of the private chat at social receptions. The day before the convention started, Interfirst Bank reported a $19m third-quarter loss mainly related to its energy lending, and it emerged that another Texas bank had been forced to draw funds from the Fed to make up for lost deposits.

Bankers, who had already been told by the Comptroller of the Currency to expect a record 50-plus bank failur this year and by the Feder Deposit Insurance Corporatic that 614 banks are currently c its "problem list," rememb only too well that last year ABA meeting was held again the background of the failu of a small Oklahoma City ener bank—called Penn Square—th ripples from which are sti being felt.

However, while energy len ing and its problems were prime topic of private convers tion few bankers would adm that it poses a serious threa

The immediate concern c the ABA is about loss of mark share and about the squeeze o spreads caused by the deregul tion of interest rate ceilings—specially on third-quarter earn ings, when rates were generall rising.

It was ABA's new presiden Mr Robert Brenton, Presider of Brenton Banks, Des Moine Iowa, who pointed out that sinc his father was president of th ABA 31 years ago, U.S. bank share of total financial instit tion assets has declined fro over 52 per cent to less than 3 per cent.

To regain the one-time marke share, he said, would take " concentrated effort to educat consumers by the banking com munity and the equally im portant strengthening of our in dustry's unity."

Without unity, virtually ever speaker warned delegates, bank will be too weak to fight the in dustry's pressing congressiona battles and will continue to los market share to new competi tors. But that unity could be difficult to find in an industry composed of 14,500 separate anc diverse institutions.

Brazilian rescue package wins approval of Japanese banks

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPANESE and other Far Eastern banks appear to have received positively an ambitious attempt to resolve Brazil's debt problems by putting together a $11bn (£7.3bn) financial package, more than half of which would consist of commercial bank loans.

The rescue package was presented yesterday to a group of more than 50 Japanese and Asian banks by a panel, which included Dr Celso Pastore, Brazil's central bank governor, and the deputy managing director of the International Monetary Fund, Mr William Dale.

The package provides for some 800 commercial banks to participate in a $6.5m syndicated loan to Brazil which would be repayable over nine years, including a five-year grace period.

The remainder of the $11bn needed to bridge Brazil's payments gap is to be provided by governments or in the form of official trade credits.

The Japanese banks which attended yesterday's meeting were not asked to commit themselves immediately to taking part in the $6.5bn loan, but raised questions which indicated a "constructive" attitude to the package.

The Japanese Government seems also certain to agree to take up a portion of the financing burden, although so far no government except Washington has formally said it will lend more money to Brazil.

The $11bn package was put together after the partial collapse of a four-point plan formulated last December to assist Brazil.

The package is linked to a commitment by Brazil to modify its system of indexing 100 per cent of wage increases to rises in the cost of living.

If Brazil fails to honour its commitment the package will not receive the endorsement of the IMF and the $6.5bn loan is unlikely to be extended.

Efforts to help Brazil over its financial difficulties are being co-ordinated by a group of 14 major international banks led by Citibank, Morgan Guaranty and Lloyds Bank International. The group also includes the Bank of Tokyo, the Japanese bank which specialises in international operations.

Representatives of the 14 banks are taking part in what one of them yesterday described as "roadshow" designed to explain the terms of the package to groups of banks in different parts of the world.

The roadshow arrived in Japan on Wednesday from Honolulu where the terms of the package were explained to U.S. banks. It moves on to the Middle East this weekend and will be in London on Tuesday.

U.S. airline staff agree to pay cut

By Terry Dodsworth in New York

AIRLINE employers have won another significant battle in their campaign to reduce wages in the industry with the agreement of six unions at Republic Airlines of Minneapolis to a new share ownership project.

The plan could give Republic's 14,000 unionised workers a stake of up to 25 per cent in the company. In return, however, they have had to accept a nine-month wage cut of 15 per cent, designed to save the airline about $100m (£66.7m)—a little under this year's first half loss of $102m.

Republic's move follows an agreement at the equally troubled Eastern Airlines under which the unions have accepted an independent analysis of the company's finances as a condition for the company dropping its voluntary bankruptcy threat.

Eastern had previously told its workers it might have to seek reorganisation under Chapter 11 bankruptcy proceedings if they refused to make concessions.

At Continental, which brought the industry's problems to prominence by filing for Chapter 11 proceedings three weeks ago, earnings reductions of up to 50 per cent and longer hours have been agreed. But the airline is flying a much reduced schedule, and the legitimacy of its bankruptcy proceedings is now being challenged in the courts by the unions.

Republic, the ninth largest U.S. airline, has been particularly hard hit by the fare wars which followed the deregulation of airline industry.

It has made losses in every year since 1980, and has been forced to ask lenders to ease terms on its debt, while putting off delivery of two new McDonnell Douglas aircraft worth $40m.

Former Quebec Premier set to stage comeback

By Robert Gibbens in Montreal

MR ROBERT BOURASSA, the former premier of the province of Quebec, is on the verge of a dramatic political comeback as he enters tomorrow's provincial Liberal Party leadership convention with a huge lead in delegate support over his two rivals.

Recent opinion polls show the Liberals, the official opposition party, would defeat the governing separatist Parti Quebecois under Premier Rene Levesque.

The provincial government's plans to separate Quebec from the Canadian federation are being hampered by what many consider to be a too-rigid legislative programme

Washington may cut aid to Zimbabwe by 50%

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE U.S. is considering a sharp cut in economic aid to Zimbabwe in retaliation for its abstention on last month's United Nations security council resolution condemning the Soviet Union's downing of the South Korean airliner.

The Reagan Administration pledged Zimbabwe $225m (£148m) over three years in 1981, and originally asked Congress for $75m for fiscal year 1984, which began on October 1, the same as it sought last year.

Following Zimbabwe's abstention in the September 12 vote, however, the State Department is now debating whether to cut the figure by as much as 50 per cent. Officials stressed yesterday that no final decision had been reached.

The move has dismayed a number of State Department officials and members of Congress, who believe relations with Zimbabwe should not be jeopardised by such retaliation.

They also want to avoid giving the impression that the U.S. is lining up too closely with South Africa against black states in the region.

High-level administration officials are also thought to be upset by Harare's treatment of the white air force officers recntly acquitted of plotting against the government.

Fed grants year reprieve on Cook sale

By William Hall in New York

MIDLAND BANK has won a one year reprieve in its battle to retain control of the U.S. travel agency network of Thomas Cook which it is supposed to sell as part of the deal under which it was allowed to take over the San Francisco-based Crocker National Corporation in 1981.

Following the acquisition Midland was given two years to divest itself of Cook's U.S. operations, consisting of 66 travel outlets in 53 U.S. cities, and the final deadline expires next week. The U.S. Federal Reserve argues that Midland should not be allowed to retain these operations since it gave the group a competitive advantage over U.S. banks, which are currently barred from this type of activity.

Midland appealed against the Fed's decision, and yesterday the Fed ruled that, while it stood by its earlier decision, Midland would be given a one year extension until October 15, 1984, before it had to sell Thomas Cook in the U.S. The Fed justified its decision because of legislation now under review in the U.S. which could substantially widen the range of permitted bank activities.

Uniroyal-Du Pont rubber deal

BY CARLA RAPOPORT IN LONDON

UNIROYAL, the U.S. tyre company, will today announce the acquisition of the manufacturing know-how, patent rights and trade marks for Adiprene urethane rubber from Du Pont, the U.S. chemical group.

Neither company will comment on the amount of money involved in the deal, but Wall Street analysts estimate the value at between $20m and $25m.

The move marks Du Pont's exit from the urethane rubber business, in which it is currently the U.S. market leader. It will shut its facilities in New Jersey used for producing the substance, which is used to make industrial tyres and linings for the mining, paper, printing and oil businesses.

Uniroyal, which is already market leader in the European urethane business, plans to build a new plant in Italy following the purchase of Du Pont's Adiprene technology. Du Pont's sales of Adiprene are estimated at around $40m worldwide a year.

The deal also includes Du Pont's Caytur rubber accelerator businesses, which make a catalyst used in urethane rubber production.

Du Pont has been slimming down its product line during the last two years since its purchase of Conoco in 1981. The company is expected to announce the sale of Conoco's chemical businesses within the next few weeks.

Uniroyal said yesterday that it is reorganising and reinforcing its European sales and service force in its chemical division.

Once the deal is completed, Uniroyal Chemical will be the sole source for both Uniroyal's Vibrathane urethane rubbers and Adiprene urethane rubber.

Uniroyal executives made it clear last week that the company is interested in stepping up its chemical activities and paring down its dependence on the highly competitive tyre business. Tyres account for nearly 50 per cent of sales, with chemicals contributing just a quarter of overall sales of around $2bn.

Ocean Ranger compensation offered

BY NICHOLAS HIRST IN TORONTO

FIFTY-FOUR Newfoundland families who lost husbands and sons with the Ocean Ranger Drilling rig, which sank off the east Canadian coast 19 months ago, have been offered a C$20m (U.S.$16.2m) compensation settlement.

Lawyers acting for the families said a formula for compensation has been agreed with Ocean Drilling and Exploration (Odeco) of New Orleans the rig's owner, and Mobil Oil Canada, the operator. The rig went down in a fierce storm on the Grand Banks of Newfoundland with the loss of all 84 crew members.

Under the compensation formula, lawyers said awards would be between C$250,000 and C$1m. Of the Newfoundlanders aboard the vessel when it sank in February, 1982, 36 were married and 18 were single.

Canadian compensation law allows for greater payments for married men and those with dependents. Of the men on the rig 68 were Canadian, 15 American and one was British.

WORLD TRADE NEWS

India to give Iraq credits to save building contracts

BY K. K. SHARMA IN NEW DELHI

INDIA HAS decided to give substantial credits to Iraq in a bid to save 68 construction contracts worth $2.44bn now being carried out in that country by more than 30 Indian companies.

Iraq's inability to make payments for the current year's work on the projects because of a hard currency shortage bad threatened the financial viability of the companies concerned and nearly all were considering stopping work on the projects.

India's newly set up Export-Import Bank has now reached agreement with the Central Bank of Iraq to provide funds to keep the projects going and deferred payment arrangements worth $295m for the current year have been made.

To help Iraq to obtain hard currency, India also agreed to import an additional 4m tonnes of crude oil from Iraq by the end of 1984 and 100,000 tonnes of sulphur. Agreements on these contracts were signed a few days ago at Baghdad.

The purchases will cover 25 per cent of this year's costs of the Indian projects in Iraq and the remaining 75 per cent will be met by the deferred payment arrangements made by India's Exim bank.

India's enormous stake in the projects in Iraq has been made not only for political reasons, but also because of the employment provided to hundreds of thousands of Indian workers who make substantial remittances of their earnings home and help build up foreign exchange reserves. Jobs and the investment in the projects would have been lost had the emergency financial arrangements not been made.

The Indian move is the latest in a long series of payment deferral arrangements made by Western countries whose companies have extensive activities in the war-torn Middle Eastern nation.

Earlier this week, Patterson Candy International of the UK, a subcontractor in a $700m water supply project, signed a deferred payment agreement for its £54m contract.

Last week the British Government agreed to support loans of up to £250m in order to help UK companies win contracts in Iraq.

Reagan's plan for a Trade Department faces delay

BY NANCY DUNNE IN WASHINGTON

PROSPECTS ARE fast disappearing for the passage this year of President Reagan's proposal to merge the office of the U.S. Trade Representative and numerous trade agencies in the Department of Commerce into a "lean and mean" Department of Trade.

The proposal, approved in principle by the President, was announced last April by Mr Malcolm Baldrige, the Commerce Secretary.

Its intention was to have the many trade agencies, now scattered through several government agencies, brought under the control of a single department in an effort to develop more cohesive policies and to cool the then-dominant protectionist sentiments in Congress. To some extent, these protectionist pressures have yielded in the face of the resurgence of the U.S. economy.

Although a trade reorganisation Bill was voted out of the Senate Government affairs committee last week, it failed to gain the support of Republican Senator John C. Danforth, chairman of the subcommittee on international trade and an influential voice in trade policy.

Senator Danforth believes the Trade Representative's office would lose visibility and influence if made part of a Trade Department.

The legislation is further jeopardised by a Democratic Party-backed provision injecting industrial policy into the debate. The amendment would create an Office of Competitive Analysis within the new department to issue reports on industrial sectors. The Trade Secretary would be required to create an *ad hoc* industry competitiveness council each year to suggest ways to improve the competitiveness of ailing industries.

The Reagan Administration has consistently opposed any industrial policy-related measures, saying they would lead to centralised government planning.

While the Bill is given a fair chance of passage in the Senate, there is little enthusiasm in the Democratically-controlled House of Representatives about the creation of a new department. Although four trade reorganisation Bills have been introduced there, none has the backing of the Administration, and none of them have been taken up in committee.

With Congress currently scheduled to adjourn on November 18, and with a crowded legislative agenda still ahead, few observers believe work can be completed this year.

Although Congress could conceivably take up the Bill next year, it is notoriously lax about moving on non-essential legislation in election years.

UK 'losing out in New Zealand'

BRITISH INDUSTRY is losing out on opportunities for trade and investment in New Zealand to some of its major rivals, especially the U.S., said the leader of a top level New Zealand trade mission which has been visiting London this week, Our World Trade Staff writes.

Speaking today, before returning to New Zealand, at the end of the one week mission, Mr Ronald Trotter, chairman of New Zealand's leading industrial corporation, Fletcher Challenge, said that a "paternalistic and patronising attitude" has possibly generated in Britain because of "New Zealand's continuing fight to maintain some access to the EEC for its farm products."

Last year, of new overseas investment in New Zealand, 45 per cent came from the U.S., 25 per cent from Australia and only 6 per cent from Britain.

Japan faces compact disc duty rise in EEC

By Paul Cheeseright in Brussels

GROWING frustration with Japan's trading policies is likely to push the EEC towards increasing its tariffs on compact audio discs, but not necessarily at the Council of Ministers' meeting in Luxembourg early next week.

The European Commission today is expected to formally adopt a proposal for presentation to the Council doubling the present 9.5 per cent tariff.

But because of West German reservations about the move, it is thought unlikely that a final decision will be made until November. Nevertheless a consensus has been developing among the EEC member states that a gesture of protest is necessary.

The rise in Japanese exports and the failure of EEC companies to make a more noticeable impact on the Japanese market has been of long-standing concern. The EEC trade deficit with Japan this year is expected to be $12bn. This concern has now been exacerbated by the Japanese decision not to buy the European Airbus.

Officials noted that the digital audio disc tariff issue was one which could be quickly picked up by ministers as a means of expressing dissatisfaction.

The audio digital disc is a high-technology product where European technical leadership appears to have succumbed to Japanese marketing leadership.

Any tariff which the EEC eventually decides would be progressively wound down over a period of five years back to its present level. The EEC would also be prepared to offer Japan compensation for the increase in other product areas.

Concern about the tenseness in EEC-Japan trade relations, which has crystallised around the disc issue, has prompted visits to Brussels in recent weeks by a string of Japanese officials.

Since the Airbus decision at the end of September, Herr Wilhelm Haferkamp, the EEC Commissioner in charge of external relations, has been urging Japan to make a series of tariff reductions. Although such reductions would not have a major bearing on correcting the EEC trade deficit with Japan, they would be welcomed in Brussels as a political gesture of goodwill.

Gulf Air may buy fleet of Airbuses

By Michael Donne, Aerospace Correspondent

GULF AIR, which is jointly owned by the states of Bahrain, Oman, Qatar and the United Arab Emirates, is discussing with the European Airbus Industrie consortium the possible purchase of a fleet of between ten and 16 A-300 Series 600 Airbuses.

Such a deal, if consummated, would be worth well over 300m, including spares, depending on the number of aircraft involved.

The possibility of such a deal was mooted in Bahrain by Mr Jurgen Moellemann, Minister of State at the Bonn Foreign Office, following a meeting with the Bahrain Industry Minister, Mr Youssef Ahmed al Shirawi, who is also chairman of Gulf Air, at which the Airbus was discussed.

Gulf Air, which currently has a fleet of eight Lockheed TriStars and nine Boeing 737-200s, would use the Airbuses on its medium-to-long range operations both within the Middle East and on its links with London and Paris, and to India, South-East Asia and the Far East.

David Marsh in Paris reports on an effort to sell new brands of cigarettes abroad

The limited appeal of France's dark tobacco

SEITA, France's state-owned tobacco company is trying to counter growing incursion by multinational cigarette groups in France by expanding its own sales of new brands abroad, principally throughout the EEC.

The company, given a monopoly over all French tobacco activities by Napoleon, has only recently been trying to shed its bureaucratic and uncompetitive image in the wake of the easing of its monopoly powers during the 1970s.

Now, Seita is under attack for two reasons. Big multinational groups, led by Rothmans and Philip Morris, have sharply expanded sales in France since Seita's monopoly over French cigarette sales was lifted in 1976.

Additionally, Seita, the producer of the dark tobacco Gauloises and Gitanes chain-smoked by generations of French soldiers and film stars, has been hard-hit by increased international consumption of American-style light-tobacco cigarettes.

M Bruno Vuaille, Seita's director in charge of external markets, admits that the company never made much effort to boost exports during its more than one-and-a-half centuries of monopoly power.

That changed in the mid-1970s when, to comply with EEC free-competition rules, the French market was liberalised.

Foreign brands account for 33% of market

Seita still preserves sole rights to produce in France, and cigarette distribution can still only be carried out through the network of 43,000 government-authorised tobacconists.

But foreign cigarettes, led by brands such as Peter Stuyvesant and Marlboro, many of them imported from highly-modern factories in Germany or the Netherlands, now account for about 33 per cent of the French market.

On the export side, Seita's own sales abroad now account for about 12 per cent of its production in France. Including cigarettes and other tobacco products made under licence for Seita in 11 foreign countries, the company's overall foreign turnover amounts to nearly 12bn cigarettes a year, sold in more than 120 countries.

The world-wide trend towards light-tobacco cigarettes—backed by heavy advertising and promotion by Anglo-American tobacco companies, as well as health worries about the darker varieties—has, however, bitten deeply into Seita's exports.

Exports are expected to drop about 3 per cent this year, making a 10 per cent fall over the last three years, due wholly to slumping sales of Gauloises and Gitanes.

To combat the slide, Seita is making increased effort to market abroad its new light-tobacco brands, led by News and Royale.

M Vuaille says that development of Gauloises and Gitanes has reached saturation point in many foreign markets. But he concedes that Seita woke up only fairly late to changing consumption habits and the need to introduce new brands.

Development of European markets—which account for about 40 per cent of Seita's exports, led by Belgium/Luxembourg, Germany and Italy—will remain a "priority," says M Vuaille.

This is both because of their proximity to France and their economic security. By contrast, the huge U.S. market remains practically closed to Seita

Government policy of holding down prices

because of the enormous cost of promotion there.

M Vuaille points out that building up a cigarette brand in a foreign market can take at least five or six years—and nothing is worse than seeing a carefully nurtured external market close for economic or political reasons.

In Argentina, for instance, where Seita has successfully built up its Parisienne brand (manufactured locally under licence by the Argentine company Nobleza-Piccardo), the company has recently been unable to repatriate earnings because of the country's economic crisis.

In France, Seita's main economic headache is the Government's policy of holding down cigarette prices to try to dampen inflation. Seita officials lament that the last genuine price rise (apart from increases in tobacco taxation) was nearly two years ago. This worsens the company's financial position —it relies on government subsidies to plug losses, which last year came to FFr 124m (£10.5m)—and aggravates its competitive difficulties with multinational groups.

A further possible worry is the much-publicised plan by the Leclerc supermarket group to challenge government price controls and sell cut-price cigarettes in stores around the country.

The Communist-backed CGT trade union claims the plan would further weaken Seita's market share. M Vuaille however is unperturbed. Pointing out that government price controls already mean that tobacco companies operating in France run at a loss, he says that even the cut-price Leclerc wizards would be unable to make money out of cigarette discounting.

British technology to the fore in Japanese drains

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

A BRITISH technology for producing concrete drainage pipes that are strengthened with glass fibre instead of steel has been in use for the past month at seven Japanese pipe factories in the Tokyo area, resulting in potential royalties of around £300,000 a year for the ARC Concrete group.

The seven factories collectively have a capacity of around 100,000 tonnes of pipes per year, only a fraction of Japan's total annual production of around 4m tonnes per year.

ARC, however, says its technology could be applied to the whole of Japan's sewage pipe output and expects its use to spread steadily. An eighth factory in the Osaka area is expected to start using the company's "slimline" technology early next year.

ARC's succeeded in 1976 in developing a centrifugal spinning system which lines the interior and exterior of concrete sewage pipes with a special type of glass fibre jointly developed by Pilkington Glass and the Building Research Centre.

The technique was originally designed to economise on production costs but turned out to have other important advantages. One of the main ones is that "slimline" pipes can be joined without the bell ends used on ordinary pipes. This results in considerable savings in laying costs.

ARC introduced its technology at an exhibition held in 1979 at the (now defunct) British Export Marketing Centre in Tokyo and found itself being invited to discussions with the Ministry of Construction which was looking for ways of cutting the costs of Japan's ambitious sewage development programme.

With the support of the Ministry the company signed technology transfer agreements with a group of seven Japanese companies. One of these started experimental production of the pipes in late 1981.

The companies which have now embarked on full scale production of "slimline" pipes are: Kurimoto Iron Works (which was responsible for the original pilot venture) Nippon Hume, Nippon Zenith, Nakagawa Hume, Nippon Press Concrete, Nippon Electric Glass and Nitto Boseki. Japan's largest glass maker, Asahi Glass, which is licenced to produce the glass panies making "slimline" pipes has also taken out a licence for making "slimline" pipes and could start operations next year.

Denmark's Christian Rovsing

Why a computer company is flying high

BY HILARY BARNES

AMERICAN AIRLINES had never heard of the small Danish company, Christian Rovsing, when Rovsing asked for the tender material for the airline's planned new data communications network. But fortunately for Rovsing, a former Scandinavian Airlines employee was able to tell American Airlines that Rovsing had quite a reputation in Scandinavia.

On the strength of this, Rovsing's sales manager, Axel Hvidtfeldt, was given one hour at American Airline's headquarters in Tulsa, Oklahoma, to persuade the Americans that his company should be allowed to bid.

Hvidtfeldt did more than just convince the Americans. When he arrived back in Copenhagen he also convinced Rovsing's staff that this was a contract which Rovsing was going to win. And when Hvidtfeldt says that a contract can be won, Rovsing knows from experience that it is worth making a major effort, even if some outsiders wouldn't give them a chance in a thousand.

The rest is history. In August American Airlines announced that Rovsing had won the order, almost 20 years to the day that data processing engineer, Christian Rovsing, then 26, started up a one-man consultancy business in Copenhagen after several years working with IBM.

The American Airlines order is the biggest data processing contract yet won by any Danish company. It is worth about DKr 258m ($27m) and Rovsing is having to expand its manufacturing facilities at its headquarters in Ballerup, a suburb of Copenhagen, by 7,000 sq metres for this order alone.

The contract is for the first stage of a comprehensive internal and external data communications network for booking, ticketing, freight, passenger and aircraft handling, linked initially to 65,000 terminals in North America and Mexico.

The core of the network system will be about 60 Rovsing CR80 minicomputers, based in 14 cities. The CR80, the latest version of which was introduced in 1981, is able to handle about 30m instructions per second and when several are set up together they can compete for handling capacity with mainframe machines.

But where Rovsing scored against its competitors for the American Airlines contract was its flexibility. "One of the reasons we won the contract was that we were able to meet the airline's special requirements and design the system exactly to its demands, while our competitors wanted to deliver a standard system," says the firm's founder and managing director, Christian Rovsing.

Rovsing started out as a consultancy and software writing business, using rented time on other people's computers. As these service bureaux functions expanded, they provided the money for the establishment and development of a hardware division, including the first of the company's own minicomputers, which were sold to the European Space Agency in 1972 for testing satellite power systems.

Now the electronics division's products include the CR 80 and an administrations systems version, the CR 801, a microcomputer, the CR 8, mini and microcomputer systems, power supplies for computers, and automatic credit card equipment for petrol stations and other applications.

In the 1970s Rovsing began winning a series of important international contracts, among them computers for use in the Nato integrated communications system, a (weapons) fire control computer for the F16 fighter aircraft, check-out and ground control systems for European satellites, the Nato Computer Aided Message Processing System (CAMPS) and an internal data communications network for L. M. Ericsson, the Swedish telecommunications company. The latter contract paved the way for orders for data networks for Air Canada (an order won in 1982) and then American Airlines.

The pace of expansion became so fast at the end of the 1970s that Rovsing's financial structure began to look seriously over-geared. At the end of 1981 the ratio of equity capital and reserves to total assets was about 10 to one and with sales increasing by 40 to 50 per cent a year (in the five years to the end of 1982, sales increased from Kr 84m to Kr 414m), the company's earnings could not keep up with its investment requirements.

The state of the Danish share market at that time was such that it offered no opportunity for Rovsing to raise capital by going public. The company therefore decided to take a leaf out of Novo's book. This Danish enzyme and pharmaceutical manufacturer has made several spectacular share issues in the UK and American markets in recent years.

So in 1982 Rovsing, in which 90 per cent of the voting shares are owned by a self-owning foundation, made an issue of Kr 7.5m B shares which were placed privately in London and The Netherlands. The shares were priced at 600 per cent and raised Kr 45m.

In May of this year the operation was repeated with even greater success when Kr 12.75m B shares were issued and priced at 900 per cent, which brought Rovsing Kr 107m. This took Rovsing's equity capital to Kr 177m and its equity to assets ratio to about 60 per cent. Next year, Rovsing plans to make a public share issue in Copenhagen and London or New York.

Rovsing now has a labour-force of over 1,000, about half of them graduate engineers, and the number has increased by a third in little over a year.

The management is headed by Christian Rovsing himself and two co-managers, Claus Jepsen and Lars Stig Nielsen. Under them, the company is organised into three basic divisions, data processing, electronics and systems, and each of these is divided into further divisions which have a considerable degree of independence, so much so that from time to time they have found themselves competing for the same order.

Christian Rovsing: "The skilled workforce has made this firm"

But although Rovsing has recently appointed a marketing co-ordinator to ward off this particular problem, it has not arisen because compartmentalisation is rigid. On the contrary, the firm is still so small that it has retained its flexibility; divisions draw freely on each other's expertise and personnel if this is necessary for the completion of a project.

It would be improper to suggest that this system is chaotic, but it is certainly creative. The enthusiasm of the engineering staff for taking on new challenges is the driving force behind the firm's success. The enthusiasm starts at the top with Rovsing himself, who has a finger in a daunting number of pies. For a while he even managed to find time to be a Conservative county councillor and he is the Danish Broadcasting Corporation's space expert.

Asked how a small Danish firm can come out of the blue to challenge the established giants, Rovsing, universally known among his staff as just Christian, highlights two factors: the high standard of education in Denmark and the advanced stage of computerisation in the public sector.

"It is the skilled workforce which has made this firm," he says, while the early introduction and extensive use of computers in public administration (probably more extensively used in Denmark than in any other country, including Sweden, according to Rovsing) has provided a valuable background for the development of Danish computer expertise.

About 70 per cent of Rovsing's sales are exported and as the company continues to diversify its business into electronics, this share will probably rise. The international element is reflected in the existence of subsidiaries in Norway, the UK and the U.S.

When you fall in love...

BY CHRISTOPHER LORENZ

HAVING an affair with one's secretary may put a politician's career in jeopardy, but it is usually less of a risk for a businessman.

So says Eliza Collins, the author of a controversial article called "Managers and Lovers," published in the latest edition of the Harvard Business Review. On the other hand, she warns that a love affair between business executives can be lethal to the position of at least one of them, especially if they are both relatively senior, since it disrupts the organisation's normal power balance.

Collins' conclusion that management must almost always get rid of whichever partner it considers junior and less effective, and that this usually means the woman, has provoked uproar in some quarters in the U.S. —and not just from ardent liberationists.

The most senior female employee in her own organisation, Collins says she came to her harsh view with extreme reluctance. She lessens somewhat the impact of her argument by applying it mainly to lasting relationships, rather than to casual and short-lived affairs, though she considers that these, too, can sometimes be extremely disruptive to the organisation.

As well as relationships between managers and secretaries, many of those between senior and junior staff emerge largely unscathed from her scrutiny. By the same token, a relationship between people in two divisions of the same company may not cause problems. Nor necessarily need those in what Collins calls "collegial, non-hierarchical, or professional organisations, where power and communications networks are less important."

But in the normal corporation most love affairs between executives of close or similar status — and some where one partner is quite junior — do create a conflict of interest, Collins maintains. Even if business decisions involving either (or both) of them are not actually affected by the relationship, many people inside the company may think they are. And this in itself constitutes grounds to ask at least one of the pair to leave.

"The appearance of equity is as important as the reality," said Collins this week.

"Because the lovers are managers, their romance affects the organisation's power alliances," she argues in the article. Among subordinates and colleagues, she says, it creates fear and anxiety for a whole host of reasons, some of them base — jealousy, for example — but others quite proper: the subordinates of a senior manager may fear that the liaison is clouding his or her judgment, for example, or weakening the whole department's influence in the organisation.

In the much-reported Bendix case, where the president, Bill Agee, fell in love with one of his strategic planners, Mary Cunningham, the reverse [...] the case, of course; manag[...] senior to her and on a [...] resented the allegedly exc[...] sive influence the relations[...] gave her. (After a consid[...] able furore, she left the co[...] pany. After Bendix [...] acquired early this year [...] Allied Corporation, Agee [...] too; they are now married.)

The strength of the U[...] reaction to Collins's article [...] indicative of its timeliness—[...] only in terms of the nationwi[...] debate that was unleashed [...] the Agee-Cunningham aff[...] but in the sense that the nu[...] ber of women reaching seni[...] executive positions in the U[...] is soaring and with it the lik[...] lihood (statistically, at a[...] rate) of love affairs in or ne[...] the boardroom.

To those who argue th[...] business people—and anyo[...] else—should be allowed to li[...] their private lives in priva[...] Collins's article has this sta[...] conclusion: "Ultimately [...] will all be less squeamish a[...] male-female friendships [...] form without arousing su[...] picion. Until then, clear-c[...] company policies should o[...] line the conflicts and probab[...] consequences of the[...] romances." These expli[...] policies should make executiv[...] understand that to break [...] taboo, "a relationship shou[...] be worth the price they w[...] pay."

* Sept/Oct 1983. Reprint N[...] 83508. Available from Repri[...] Service, Harvard Busine[...] Review, Boston MA 0216[...] USA. Telex 6817320.

Business courses

Managing a global company in tomorrow's world, London. 23-24 November 1983. Fee: BIM Members £325 + VAT; non-members £370 + VAT. Details from Lynn Marsh, Conference Organiser, British Institute of Management, Management House, Cottingham Road, Corby, Northants NN17 1TT. Tel. (053 63) 4222.

Resolving international construction claims, London. November 22-23. Fee: £368. Details from Crown Eagle Communications, 2 Bloomsbury Place, London WC1A 2QA. Tel. 01-636 0617. Telex: 896827 TACS G (quote reference 1202).

Introduction to Forecasting, London. November 14-19. Fee: £330. Details from Nigel Meade, Department of Management Science, Imperial College of Science and Technology, Exhibition Road, London SW7 2BX. Tel. 01-589 5111, ext. 2828.

Who needs work? Uxbridge. November 24-25. Fee: £40. Details from Brunel University, Uxbridge, Middlesex UB8 3PH. Tel. 0895 56461.

Products, strategy and design, Boston. December 12. Fee: £280. Details from Design Management Institute, 7 Stanhope Gardens, London SW7. Tel. 01-370 2458.

An introduction to insurance marketing, London. November 21-25. Fee: £510 plus VAT. Details from Course Co-ordinator, Risk Research Group, Bridge House, 181 Queen Victoria Street, London EC4V 4DD. Tel: 01-236 2175. Telex: 8811686 RRG G.

Inter-personal effectiveness workshop: developing the skills of self-assertion, Brunel. December 14-16. Fee: £355 (including follow-up day); £280 (not including follow-up day[...] Details from The Secretar[...] Management Programm[...] Brunel University, Uxbridg[...] Middlesex UB8 3PH. Tel: 08[...] 56461.

Labour relations in Europ[...] 1983, Brussels. November 23-2[...] Fee: Non-members BFr 48,80[...] Members (AMA/I) BFr 43,80[...] Details from Managemen[...] Centre Europe, Avenue de[...] Arts, 4, B-1040 Brussel[...] Belgium. Tel: 02 219 03 9[...] Telex: 21 917.

Licensing, London. Novembe[...] 23-24 1983. Fee: £368. Detail[...] from Crown Eagle Communic[...] tions, 2 Bloomsbury Place, Lo[...] don WC1A 2QA. Tel: 01-63[...] 0617.

International finance, Nic[...] November 7-9. Fee: BF[...] 50,000. Details from Brigitt[...] Visart, Corporate Affairs, Ma[...] agement Centre Europe, avenu[...] des Arts 4, B1040 Brussel[...] Belgium.

OVERSEAS NEWS

Zia seeks to widen his power base—and outflank the opposition

John Elliott, South Asia Correspondent, reports from Islamabad on an uprising which is gathering strength

VISITS THIS week by leaders of minority Moslem-based political parties to the colonial-style headquarters in Rawalpindi of Pakistan's martial law regime mark a potentially significant shift in the stance of General Zia ul-Haq, the country's military dictator.

For the first time in his six-year reign, President Zia is opening an official dialogue with parties which he has banned and which are officially described as "defunct."

Political activists in the country's capital of Islamabad and in the troubled southern province of Sind doubt whether President Zia is doing more than buying time. They believe he is hoping that the riots, which have cost up to 140 deaths and led to up to 6,000 arrests, will subside as the summer weather cools and rural activists return to their agricultural work on rice and cotton crops.

That view may be at least partly true. But President Zia seems to realise that the disturbances—which were started by the Movement for the Restoration of Democracy two months ago today—reflect real dissatisfaction with his regime. The troubles are also damaging the international reputation of his Government and are causing a little worry in the U.S., which is deeply concerned that Pakistan should remain politically stable.

A calm man, President Zia usually tries to avoid escalating confrontation in crises and appears therefore to have decided to widen his political contacts before a point of no return is reached. After the current talks he is likely to announce—probably at the end of November—fresh plans for parliamentary elections.

These would amplify and maybe amend proposals he announced on August 12, which helped to provoke the disturbances because they envisage changes being stretched out until March 1985 and then only involving a partial reduction of Presidential and army power.

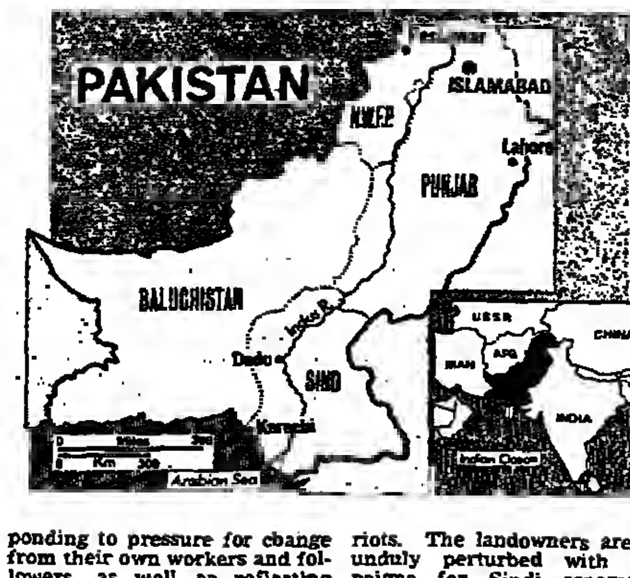
"I could visualise parliamentary elections being completed in September or October next year," says Mr Raja Zafarul Haq, President Zia's Information Minister.

In an interview, Mr Zafarul said it was "50-50" whether the President would agree to political parties being involved in the elections. This probably means that he would prefer to ban them, to begin with at least, but he is open to persuasion if the pressure on him increases.

President Zia's problem is to find a way of stopping the protests and violence in the province of Sind, to stop them expanding into his regime's stronghold in the province of Punjab.

In mid-August the Sind demonstrations were being organised by rich and powerful landowners, many of whom commute between their estates in the Sind and large houses in Karachi, and spend as much as possible of the hot summer months abroad, often in London.

They include local Moslem leaders, and many of them wielded political as well as feudal or religious power in the Bhutto regime which Zia ousted in 1977.



By organising the demonstrations the landowners were responding to pressure for change from their own workers and followers, as well as reflecting their own frustrations. Most expected the action to die down after not more than four to six weeks.

But this restrained scenario has vanished, and the disturbances are now described as a genuine rural uprising rather than merely urban-inspired riots. The landowners are not unduly perturbed with campaigns for Sindi separatism, a subject debated for 45 years.

But the landowners fear that they may soon also be threatened by forces that have been unleashed in the last few weeks. "It's not just anti-army, or anti Zia. Nor even Sindi nationalism or separatism," one landowner said. "It is a Left-wing movement that will change rural life and reduce our own influence in our villages, and one day the people who have turned on Zia may turn round and attack us."

This is a rather apocalyptic view, but it does reflect one of the lesser-noticed potential long-term effects of the present situation. A left-wing political group called the Sind Awami Tehrik, whose leader has translated the works of Mao Tse Tung into Sindi, has grown into a major force, propounding radical social change within a united Pakistan.

It is the relentless organisation of this party, whose rural network has caused widespread surprise, that has kept the protests alive. A young and militant wing of the long established Pakistan People's Party has emerged, and a second left-wing fringe movement, the Hari Committee, has also come into prominence.

Together these activists and other more middle-of-the-road parties in the democracy movement, have organised people to present themselves for arrest in towns and cities all over the country every day, in addition to martialling the more headline-catching clashes.

The Sind disturbances have hit road and rail traffic on routes which run north to south through the province along the Indus basin, the country's main artery. For about three weeks transport was seriously hit, affecting industrial and trading companies, and causing food prices to rise by 30 per cent or more in Karachi market.

This helped to bring home to the Karachi business community the potential seriousness of the situation. Industrialists are now privately stressing the need for economic stability, which they recognise probably means a smooth and relatively speedy transition of power to a parliamentary regime.

But President Zia does not want to allow completely free parliamentary elections, partly because this would almost certainly lead to a victory for the People's Party. In particular, he wants to exclude the late President Bhutto's widow, who is ill in Paris, and his daughter, who is under house arrest in Karachi.

So President Zia is starting his talks with leaders from right-wing Moslem-based parties. He is also about to try to find out whether leaders of three major parties within the democracy movement are willing to join in. He would also like to find some members of the People's Party but they, along with the rest of those who meet him, will have to renounce violence.

If he is successful in assembling such a group of parties, he will have succeeded in splitting the democracy movement. If he fails he will almost certainly feel justified in going ahead with non-party parliamentary elections, first for a provincial and then for a national assembly. But the disturbances and riots would continue to build up and his own future might eventually be at stake.

At present there is little sign of unrest among senior army officers, although one prominent ex-minister and former army commander who was once Zia's number two, retired General Faiz Ali Chisti, is openly condemning the way Zia is clinging to power. "This delay is not a general's way of doing things — it is the politician's," he declared.

"I don't think Zia will give up power willingly. He is operating the old carrot and stick policy we've all seen before."

U.S. still backing S. Korea

By Anne Charters in Seoul

THE U.S. yesterday reaffirmed its committment to South Korean security in the wake of the Rangoon bombing which killed several of the country's top ministers and presidential advisers.

South Korea has accused North Korea of carrying out Sunday's atrocity, but firm evidence to back up the charge has not yet been forthcoming. The South Korean Foreign Ministry last night denied reports that it was told by Burma, that investigations had produced firm evidence that North Korea was involved.

Mr Casper Weinberger, the U.S. Defence Secretary who was in Seoul yesterday to attend the state funeral of the 17 South Koreans who died in the blast, said that no crises, however unexpected or painful, could deter the mutual pursuit of peace and security by the two countries.

The U.S.-South Korean alliance remained essential because the two countries were vital to each other's security, he said.

Earlier in the day, Mr Kim Sang-Hyup, the South Korean Prime Minister, repeated accusations that the North was responsible for Sunday's terrorist attack and warned that South Korea was losing its patience.

The Foreign Minister's denial followed press reports in South Korea that there was now "conclusive evidence" that North Korea was involved in the bombing. These quoted officials as saying that South Korea had formally asked Burma to sever relations with North Korea over the explosion, which South Korean President Chun Doo Hwan has said constituted an assassination attempt against him.

Mr Kim told a crowd estimated at more than 1m, who had gathered to honour the dead despite pelting rain, that there were limits to the "perseverance and magnaminity" of South Korea.

Meeting paves way for Lebanon talks

By Nora Boustany in Beirut

REPRESENTATIVES OF Lebanese political factions met yesterday in central Beirut to prepare the way for the first session of the National Reconciliation Conference. It was the first meeting of its sort since the outbreak of the civil war in 1975.

The U.S. hopes that if the preliminary talks go well the initial sessions of the Netional Reconciliation Conference could be held next week probably in Jeddah, Saudi Arabia. Mr Robert McFarlane, the U.S. special envoy, has returned to Washington to report to President Reagan on the state of negotiations.

Yesterday's talks in Beirut were chaired by a personal representative of President Gemayel and attended by officials from Druze and Shia militias, two Christian Maronite militias and by two independent Moslem politicians.

It is hoped that the dialogue, which may drag on for months, will iron out Lebanon's problem of power-sharing among all its religious communities. Career diplomat Mr Khalil Mekkani, a former ambassador to London, chaired the meeting. He is now acting Secretary General of the Foreign Ministry.

Representatives of former Christian President Suleiman Franjieh, Former Sunni Moslem prime minister Rachid Karami and Christian Maronite parliamentarian Raymond Edde did not show up. Mr Franjieh and Mr Edde, who is self-exiled in Paris, refused to name representatives but gave no clear reason for their boycott.

Australian payments in the red

By Colin Chapman in Sydney

AUSTRALIA yesterday reported a A$259m (U.S.$235m) balance-of-payments deficit for September, compared with a A$371m surplus the month before, but the change was brought about almost entirely by Federal Government repayments of offshore borrowings.

Government capital outflow was A$390m compared with an official inflow of A$470m in August.

The country's trade deficit actually fell to only A$1m in September from A$141m in August and a deficit of A$225m in the previous September.

Exports fell in September, to A$1.7bn from A$1.8bn the month before, but imports dropped even more, to A$1.7bn, from A$2.1bn in August.

The current account deficit eased to A$526m in September from A$667m in August and A$704m in September last year. The value of the country's foreign exchange reserves is marginally down at A$10.1bn.

Australia's unexpectedly strong balance of payments performance is largely the result of weak import penetration because of poor domestic demand and continuing strong capital inflow. Private capital inflow in September was A$657m compared with A$567m in August.

The authorities believe that much of this private capital inflow, has been chasing a rising Australian dollar, which this week, on a trade-weighted basis, regained the pos tion it he'd before the new Labor Government's 10 per cent devaluation

The Australian dollar is operated on the basis of a managed float, and in the last two weeks the authorities have propelled it steadily upwards in the hope of blocking the inflow of speculative money.

Unemployment rate reaches post-war high

By Our Sydney Correspondent

AUSTRALIA'S unemployment rate last month rose sharply, even though 60,000 people found jobs.

The rate of unemployment is now at a post-war high of 10.4 per cent seasonally adjusted compared with 10.2 per cent in August and 10.3 per cent in each of the previous four months.

Unemployment was 7.5 per cent in September last year.

Seasonally adjusted, the number of people in work in September rose to 6.32m, compared with 6.26m in August and 6.38m a year ago.

Mr Ralph Willis, the Employment Minister, said last night that unemployment is likely to increase again before the anticipated reduction next year.

New Zealand surplus on current account

WELLINGTON — New Zealand recorded a current account balance of payments surplus of NZ$36m (£15.6m) in August compared with a deficit of NZ$159m in July and a deficit of NZ$143m in August last year, the Reserve Bank said.

The bank attributed the improvement to higher export receipts, particularly for meat, and lower imports, which boosted the trade surplus in August to NZ$171m from NZ$119m in July and NZ$51.3m in August last year.

Reuter

UK NEWS

Steel producers boost output

BY PETER BRUCE

STEEL PRODUCTION in Britain averaged 322,200 tonnes a week last month, the industry's best performance since March, 1982. But producers remain nervous about the further progress of this year's recovery, because of recent weakening of prices.

Figures, which include production by the private sector, show average output for the first nine months of 1983 at 288,800 tonnes a week, or 14.4m tonnes a year, nearly 3 per cent above the same period in 1982. The British Steel Corporation (BSC) accounts for about 85 per cent of crude steel production in the UK and the figures suggest it is running at 85 per cent of manned steelmaking capacity for the year so far, up more then 25 per cent from a year ago.

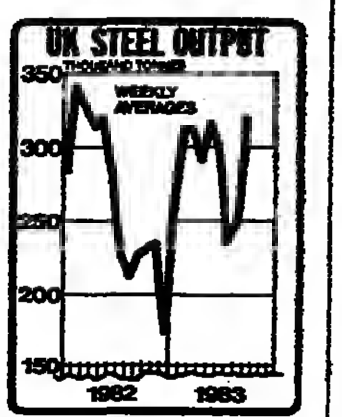
The final quarter of this year will be crucial, however. A statement released with the statistics warns that the high levels of output in September were achieved in part at least, to meet restocking requirements after the summer break. Industry officials are being extremely cautious about prospects for the rest of the year and for the rest of BSC's financial year which ends next March.

At about 280,000 tonnes a week, BSC is currently well ahead of the 260,000 tonnes it says it needs to break even on trading. But the corporation has begun to meet stiff price competition from EEC and third country imports and, according to Mr Bob Scholey, chief executive, is "rebating more than we would want to." The discounting is bound to eat into BSC's profitability and could wreck hopes of meeting the break-even target by next March.

Steel prices have failed to strengthen since the market began to show some promise early in the year. There is, however, no sign yet that the markets will return to their state of near anarchy of a year ago which was only stopped by agreement on a drastic reduction of production quota by EEC ministers at a meeting in Elsinore, Denmark, last November.

BSC hopes for a modest increase in prices have been hit on two fronts. Most important has been a steady breakdown of confidence among members of Eurofer the EEC pricing cartel. Eurofer has been unable to agree on a schedule for the introduction of a new quota regime announced by the European Commission in July. UK and French producers emerged then with slightly improved quotas, while the West German and Italian industries had theirs, relatively, reduced.

UK and French producers have argued for the immediate introduction of the new regime, while the others insist it can only be introduced in January. The dispute is thought to have resulted in some discounting by Continental producers fearful of improved British and French tonnages capturing market share.



Production falls but outlook still good

By Max Wilkinson, Economics Correspondent

INDUSTRIAL OUTPUT fell slightly in August, according to official figures published yesterday, but the underlying trend still seems to be upwards.

The August index for the production industries' output was 101.2 (1980=100), less than ½ per cent below the July figure which was itself the highest since spring 1980.

In the three months to August their output was about ¾ per cent higher than in the previous three months and nearly 6½ per cent higher than in the trough of the recession at the start of 1981. The three-monthly average is a better indicator of recent trends than the monthly figures, which have been volatile.

Despite this evidence of slow recovery, however, output remains nearly 8 per cent below its level at the last peak of activity in the spring of 1979.

Manufacturing output in the latest three months was running at 3¾ per cent above its lowest level but still 15 per cent below its peak in the present business cycle.

Yesterday's figures, prepared on a basis which is somewhat different from that of the former industrial production index, shows that in the three months to August output rose in all sectors compared with the level in the previous three months. One of the largest gains was in the engineering industries, where output rose by 1.7 per cent between the two periods.

Output in the construction industry fell by 3 per cent in the second quarter of the year

Union marks time in dispute with British Telecom

BY DAVIS GOODHART, LABOUR STAFF

BRITISH TELECOM yesterday continued its policy of bringing in by bus telephone engineers from outside London to work at three sites in central London where about 200 other engineers are on strike as part of the Post Office Engineering Union's (POEU) campaign against BT privatisation.

The majority of the 150 engineers bussed in again refused to cross picket lines and – for the second day running – were suspended. The total number of suspensions – including the 1600 POEU members in the international division – is now about 2,200.

The union claimed last night that members bussed in on Wednesday who refused to cross picket lines were now being asked to sign documents saying they would cross them in future or face disciplinary action.

It also said that BT managers had admitted to local POEU officials that the bussing policy (which involves moving people from as far away as Southend and Hastings to replace people in outer London bussed into the centre) was leaving exchanges at the end of the chain short-staffed.

The union – conscious of the cost of paying striking and suspended members full earnings – appears to be marking time on industrial action. The last major escalation was the start of the work to rule in the international division 10 days ago that led to the management takeover last weekend.

The removal of maintenance cover at the two main earth satellite stations at Goonhilly, in Cornwall, and Madly, in Hereford, is designed to bring further pressure on international calls. But although those stations deal with about two thirds of all calls the main problems are in the London exchanges.

Last night the Goonhilly POEU branch was still considering how to respond to the instruction to take supportive blacking action.

The week-old strike action by eight members responsible for the maintenance of telex links in Aberdeen started to bite yesterday. The system broke down completely cutting off important oil company links from Aberdeen to London and to the offshore rigs.

● Mr Walter Goldsmith, director general of the Institute of Directors, said yesterday in a letter to Mr Bryan Stanley, POEU general secretary, that industry and commerce would not be pleading with the Government to yield to union demands "because we firmly believe in their policy of privatisation."

Union blames pay halt for shipyard strikes

BY DAVID GOODHART, LABOUR STAFF

THE PAY freeze for the 60,000 employees of British Shipbuilders (BS) – reaffirmed in Wednesday's crisis talks with union leaders – is causing strikes and overtime bans throughout the industry, according to union officials representing BS's 1,800 managers.

Mr Adrian Askew, general secretary of the shipbuilding section of the Engineers' and Managers' Association (EMA), said yesterday: "Few of these disputes would have blown up into strikes but for this counter-productive pay freeze."

There has been no pay rise in BS for 18 months. Mr Graham Day, the new BS chairman, has assumed the stance of his predecessor, Sir Robert Atkinson, in which rises would have to be financed by productivity improvements.

Mr Askew, who meets the new chairman today to present the EMA case for BS's future, said: "It's no good having local productivity deals if there are no ships to build."

He said the strike at Sunderland Shipbuilders, which led to the loss of a £4m Falklands contract, was an example of a dispute magnified by the freeze. The 1,600 strikers are angry about a rise awarded to crane drivers but not manual workers.

The average skilled rate in BS is about £116 a week but shipbuilding employees, have seen their position in the manual workers' pay league table slip from fourth be below 20th in six years.

Takeover panel amends 'off-market' tender rule

BY DAVID DODWELL

THE PANEL on Takeover and Mergers yesterday revealed a series of amendments to the code affecting "off-market" tender offers, share-buying in the wake of a successful bid, and offers that have been stated as final.

The panel did not envisage that regulation of "off market" tenders would be necessary, but early this year initiatives taken by Mr Jim Raper, the Hongkong-based businessman, alerted the panel to a loophole.

Until barely a month ago, Mr Raper was forbidden from having dealings with any of the City of London establishment because of a clash four years ago over the way in which he tried to take over St Piran, the Cornish mining and property group. When he tried to mount a bid for Westminster Property Group early this year, he was forced to launch the bid from outside the market.

In future any "off market" tender will have to be copied for the panel, and approved in advance.

The second set of amendments concerns companies or individuals who have successfully bid for a company, and hold – for example – 60 per cent of its shares. For six months after the bid, they will not be able to pay more than the bid price for any shares in the company that they buy.

Gomba to transfer Scottish truck plant

BY CHARLES BATCHELOR AND MARK MEREDITH

GOMBA-STONEFIELD, the Scottish off-road truck maker, is to shift production from its plant at Cumnock, Ayrshire, to Rochester, Kent, after a disagreement with the Scottish Development Agency (SDA).

Gomba said it had already begun moving equipment to its Trans-Ax subsidiary at Strood, near Rochester, where it already makes drive units for the truck.

The company has served a writ on the SDA claiming that the agency had not met its obligations under the agreement reached when Gomba acquired Stonefield from the receivers in 1981.

According to Mr Michael Hendrie, chief executive of Gomba-Stonefield, Gomba alleges that the SDA, which poured £4m worth of aid into the original Stonefield project before it collapsed, had been slow in paying off that company's debts to its suppliers, and Gomba was subsequently unable to get tooling, plans and components. Gomba is believed to be claiming that cost it an extra £3m.

The SDA, however, said yesterday that no writ had been received from Gomba nor had it been notified of the plan to shift production to Kent.

The SDA said it had settled "amicably" all the Stonefield debts, including an estimated £300,000 paid to Borg Warner Transmissions and GKN.

Mr Hendrie said: "We have solved the problem of deliveries, although we have had to buy axles from Italy, but, having been forced to buy the Rochester factory to meet our component requirements, we have decided it is necessary to consolidate production there.

"If the SDA had compensated us for the costs we incurred because we could not get tooling and components, this move would not have been necessary.

"The SDA held an internal inquiry and decided they were blameless. It is that which decided us to make the move and issue a writ."

Gomba has offered jobs to the 50-strong Cumnock workforce at Rochester and compensation to those men who are unable to move. Complete agreement has been reached with the men and their unions, according to Mr Hendrie.

Gomba has reduced the scope of the Stonefield operation since it acquired the company in line with what it believed was a realistic size to meet the likely demand. It took on 50 workers – a third of the number employed by Stonefield – and replaced a flow-line production system with one where small groups of men assembled complete vehicles.

Gomba has upgraded the capacity of the truck, which was originally too close to the Land-Rover, and made a number of design changes. The truck now has a two-tonne to three-tonne capacity and has military, fire-fighting and other "quick response" applications.

Power stations to close

By Maurice Samuelson

LEADERS OF electricity workers in England and Wales have agreed to the partial closure of 11 power stations and the full closure of three over the next 12 months.

There will be no compulsory redundancies among the 1,587 workers whose jobs will be affected. A significant proportion will be found other work in the electricity industry, and those who are not on the point of retirement have accepted voluntary severance terms.

The plants to be shut down entirely are at Brunswick Wharf, in the Central Electricity Generating Board's South-East Region, and Carmarthen Bay and Rogerstone in the South-West.

As a result of those closures and the mothballing of part of the other sites, the CEGB's capacity will be reduced by 1,774 megawatts to about 52,000 MW.

The plants partly closed are evenly scattered around the country, with three in the South-East, two each in the South-West and Midlands, three in the North-West and one in the North-East.

The closures reflect the board's long-term programme of shedding expensive oil-fired plant and older coal-fired capacity.

Since the board was established a decade ago, it has cut its number of power stations form 280 to 98 and within the next decade those might fall to about 40 main sites.

Port of London to restructure

BY IAN RODGER

THE PORT of London Authority (PLA) hopes to put together a business plan by the end of November that will, win government support and ensure the beleaguered port's survival.

PLA officials say the loss of custom since the eight-week dockers' strike last spring has been much less than feared, but the authority will still suffer a big financial loss this year, when it was to have returned to profit and to have been weaned off government subsidies.

"We had improved our performance, and then we blew it as a result of the strike," Mr John Black, chief executive of the PLA, said. "It's going to be hellish difficult to come back, but we are on our bikes every day."

Last year, the Government advised the PLA that it would no longer underwrite its deficits. At the same time, it agreed to write off £48m of the PLA's £113m in borrowings. The authority's operating performance had recovered from a loss of nearly £2m in 1980 to profits of £3.7m in 1981 and £8.9m last year. This year, it was budgeting for not only an operating profit of £10m but also a £5m post-interest profit, assuming the debt write-offs.

Now, however, the PLA is headed for a loss – which the directors decline to estimate – and has announced the sale of the Royal Victoria dock to help make ends meet. Also, the Government has delayed the planned debt write-offs until the authority's future is sorted ont.

Mr Black said the PLA had estimated it would lose about 30 per cent of its container and conventional custom as a result of the strike, but it now looked more like 10 to 15 per cent.

PLA officials have been in discussions with major tenants and customers for several weeks to try and assess the prospects. In an attempt to help hard hit tenants, it is offering to transfer some of its own cargo handling business to them.

It is also seeking a two-year, no-strike agreement with dockers and ships' clerks to boost customer confidence. The outlook for employment – assuming the port survives – is still uncertain, but the PLA will probably shed another 1,100 jobs this year, the same number as last year, but 700 more than planned before the strike.

Shell refinery workers on overtime ban

By Brian Groom, Labour Staff

THE 1,460 manual workers at Shell UK's biggest oil refinery, Stanlow in Cheshire, yesterday imposed an overtime ban and prepared to take tougher disruptive measures in protest at the company's "final" 4.5 per cent pay offer.

However, they voted by 442 to 364 at a mass meeting on Wednesday night to reject their shop stewards' call to start au all-out strike. The position will now be considered by workers st the company's other four oil refining and chemical sites, where there has been talk of industrial action.

Shell's refinery negotiations are the pace-setters for the oil industry's autumn pay round. Its offer is well below last year's 7 per cent settlement, and the dispute is an important test of the CBI's hope that pay deals in industry will be below those of 1982-83.

The 900 maintenance craftsmen at Stanlow have been banning overtime and working to rule since Monday. They struck for two hours yesterday after a half-day strike on Wednesday.

The industrial action will have a cumulative effect and is expected to start affecting production soon. Transport and General Workers Union shop stewards will meet on Sunday to plan new sanctions.

Hopes of two-way car deals with Japan

BY JOHN GRIFFITHS

PURCHASING EXECUTIVES from nine leading Japanese motor companies finish today a week of talks on possible component purchases with over 70 UK suppliers.

"Several" possible supply contracts will be followed up, according to their spokesman Mr Masami Iwasaki, senior managing director of Toyota. He would not elaborate.

Any contracts are expected to involve the supply of replacement parts for Japanese cars sold in Europe rather than original equipment supplied to the manufacturers in Japan.

Mr George Turnbull, president of the Society of Motor Manufacturers and Trades (SMMT), said yesterday that the discussions – held at SMMT headquarters, showed evidence of a greater Japanese interest in increasing two-way trade.

At present, there is a huge imbalance in vehicles and components in favour of Japan. Japanese exports to the UK are estimated last year at £738.6m; UK exports to Japan £20m.

This week's talks coincide with preparations by the Japanese Automobile Manufacturers Association for talks with SMMT officials on the number of vehicles which can be imported to the UK next year under the Anglo-Japanese "gentlemen's agreement."

FINANCIAL TIMES REPORT

By NICK GARNETT

Rochdale

The town has set out to inject fresh spirit into its manufacturing and commercial life. The long struggle that lies ahead to attract new industries is likely to be repeated in the North West

Looking to the future

INDUSTRIALISTS and property developers were brought together with the Press in London earlier this year as part of an attempt by the town of Rochdale to raise its profile and inject a new spirit into its manufacturing and commercial life. There was nothing new in what Rochdale was doing. Many towns and cities have done the same, some considerably earlier.

What is unusual, though, is that few areas of the country reflect so clearly the clutch of problems which afflict large chunks of Britain's more distressed traditional manufacturing areas, the opportunities for at least trying to reshape an employment base, and the role which local authorities have increasingly adopted in the competitive jungle for new jobs.

The borough, a straggling 63 sq miles running into the Pennine foothills north-east of Manchester, has suffered the pain of over-reliance on older, basic but now ruptured industries.

As in much of the North it has only a few companies with manufacturing or trading tentacles into micro-technology. The erosion of its employment structure and companies' cost-cutting rationalisation has generated an unemployment rate of around 18 per cent, the second highest in Greater Manchester, of which it is a part.

In the past two-and-a-half decades textiles has shrivelled from providing 40 per cent of jobs to just 8 per cent. Some 70 textile plants and related companies closed in the five years up to last year. The rack for the town's mechanical engineering has been a more recent creation and until recently even distribution services were registering sizeable job losses.

It is the other side of the fence to which industrial development officers point. Most of Rochdale borough was upgraded last year to development area status, with all the grant benefits that brings. The M62 Transpennine motorway runs through it, connecting Rochdale with the M6 and M1 and ports on both coasts. Manchester Airport, the third biggest in Britain, is less than half-an-hour's drive away.

That communications advantage has been recognised by the cluster of 20 or more companies—many of them in distribution services—which have come into Rochdale or expanded premises in the past 18 months.

Strengths

The town is also free of many of the negative influences that seriously deepen the vulnerability of some manufacturing regions. It does not suffer, for example, from the "big plant, branch plant" syndrome.

It did have some of that with its "big mill" textile industry but that is just a shadow of what it once was. Two noticeable strengths of Rochdale's manufacturing is its breadth and the influence of the Lancashire small business ethos. Its proportion of workers in companies with under 50 employees is lower than the national average. That is not to say there are no big manufacturing sites. There are and they produce world-renowned products.

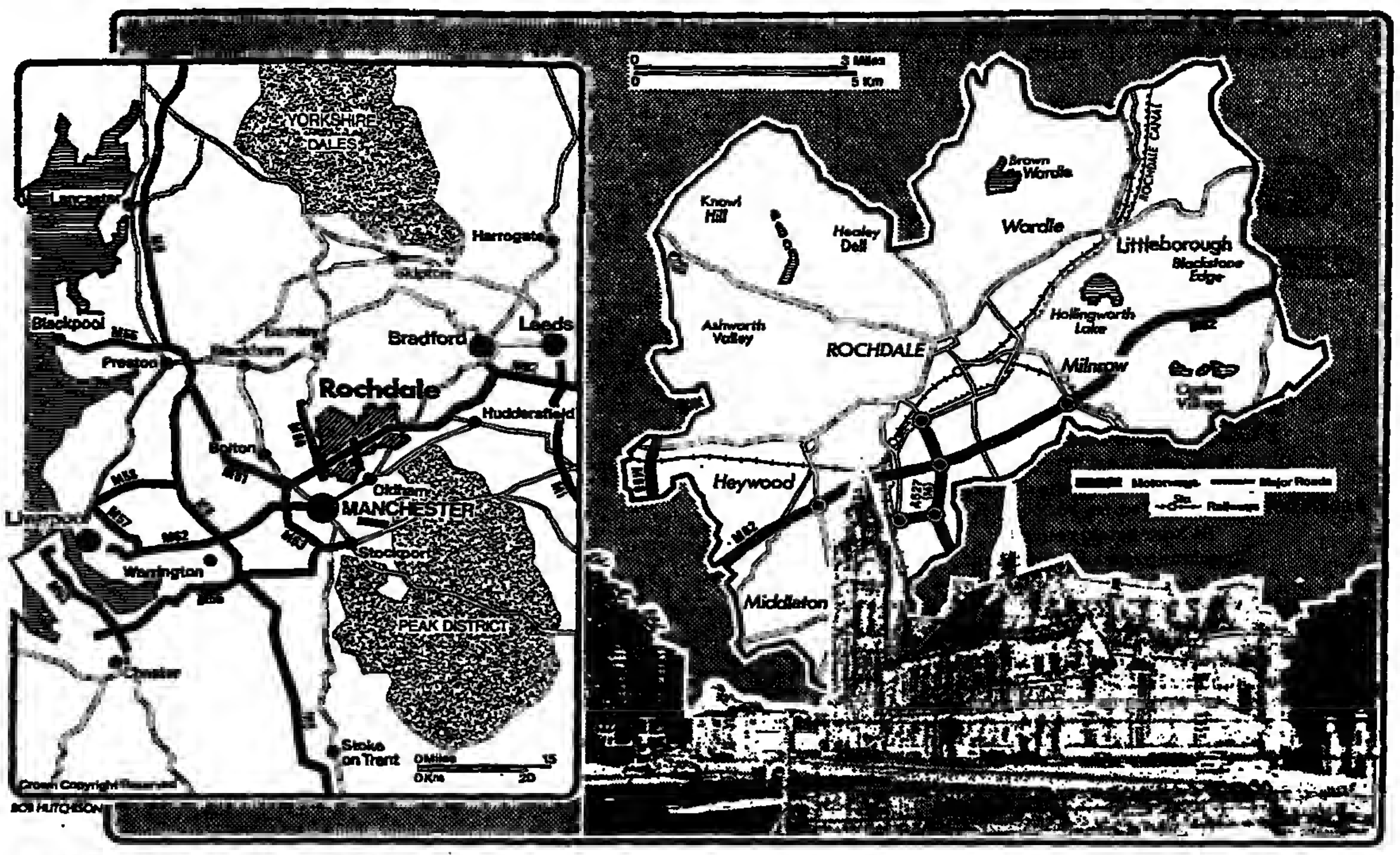
Nor is it to say that Rochdale does not have an image problem bound up with blackened multi-storey textiles mills and the kind of earthy culture which produced Gracie Fields and the Rochdale Hornets Rugby League Club. It is the backward-looking elements of that image that the metropolitan borough council has been trying to reverse for an area which is really a collection of half-a-dozen townships largely surrounded by open land.

It is part of what everyone recognises will be a long uphill grind, with the best opportunities for employment growth in services but with the hope that the ingenuity of the town's better manufacturers will breed spin-off businesses.

Rochdale's performance over the next few years is likely to mirror much of that of the North-West. Local authorities and the Greater Manchester Economic Development Corporation (GMEDC) are trying to ensure they have as much influence as possible on that while recognising that any significant improvement in employment is largely dependent on what happens to the national economy.

Project Rochdale—the campaign launched by the borough council in London in April—really brings together all the facets of assistance. Advice on these are channelled through the council's industrial development and advisory centre.

Such assistance includes a job incentives scheme for businesses run by Greater Manchester Council, a two-year programme initiated by the GMEDC of free advice on micro-electronic application for products and manufacturing processes and financial assistance on relocation from the GMEDC. This latter source was used for the recent opening of the Structherm panel manufacturing factory.



The business community, frequently critical of local authorities, says a lower rate burden would be a more direct form of help. Rochdale has had a couple of steep rate rises in the past few years but it does have one of the lowest rate levies in Greater Manchester.

Another form of help, this time from the private sector, is also now available. An arm of the English Association has been set up to provide export finance and advice, mainly for the small exporter. Finance can be made available to cover export orders worth as little as £50,000. An Enterprise Trust also operates from the Chamber of Commerce.

One of the biggest changes already carried through, some of it with local authority help, is the building of high quality industrial and commercial property. Ten years ago 60 per cent of Rochdale's industrial buildings and over 50 per cent of floorspace was either "obsolete" or in poor condition.

The borough has seen since the development of very good industrial estates, though one of the awkward — some might say unfair—peculiarities of assisted status is that two of the principal estates are outside the development area.

As the development area is drawn around the travel-to-work zone it means that some companies are in the borough but outside the assisted area. One of those companies, British Vita, says this is both annoying and an "inhibiting" factor on investment. It has not stopped the company, though, from continuing to invest in its Rochdale plants.

An irony of the borough's property development programme is that Rochdale has also been one of the UK's most energetic towns in the business of factory conversion — in its case that of textile mills. Operations as diverse as Salford Electrical Instruments, involved in very advanced electronic engineering, and Woolworth's central accounts unit employing 700 are housed in former textile mills.

Such conversion work is still going on. An arm of John Bright, formerly a major textile group but whose previous basic business in Rochdale has withered almost out of existence, is one company engaged in this. One of its most ambitious schemes is the conversion of the Oxford Mill into an ice rink.

Over-dramatic

A report by the borough in July 1980 said Rochdale's economy was in a "critical situation." That was when unemployment was 7.1 per cent, less than half the current figure.

What has or has not happened since reflects the over-dramatic rhetoric of that phrase and the way people have been gradually conditioned to accept features of economic life which would have been difficult to swallow a few years ago.

A mark of the deterioration in Rochdale, though, was that it was due to lose its intermediate status last year but the persuasiveness of the facts, and lobbying by the council and local MPs, who include the Liberal Mr Cyril Smith, resulted in an upgrading to development status—only one of five towns to be subject to that particular upgrading.

Even outside the borough's more traditional manufacturing sectors its biggest employer TBA, the industrial materials manufacturer within the Turner and Newall group, employs little more than half of what it used to. Yet Rochdale's unemployment has grown at a slower pace than the national average after a long period when it was rising faster.

As part of a large conurbation and with other towns and cities within easy driving distance, there is very substantial daily migration for work out of the borough. But Rochdale is little different from other urban areas in the difficulties brought in the wake of unemployment.

One particular problem has been posed for the Asian community. Two years ago it was estimated that three quarters of the local Asian population depended for family earnings on the textile industry as against 15 per cent of the non-Asian population.

The borough has its share of dereliction, of jumbled terrace housing mingled with industry and of the consequences of past neglect. The council, though, has been a pathfinder in industrial improvement areas—which it says influenced the character of the 1978 Inner Urban Areas Act—and of housing action areas. The role of the council in housing area improvements is featured in a Government leaflet on urban renewal.

The borough now has a partial vacuum in its employment structure but believes it is in a better position than most similar-sized areas to attract new companies and keep them.

ROCHDALE II

Engineering tops a wide range of industries

PARTS OF Rochdale's industrial sector have suffered considerable rupturing under the impact of structural change and recession. It nevertheless retains a broader range of manufacturing than would be expected of a town of its size, along with many companies which are performing well in a difficult trading climate and with a surprising amount of technical ingenuity.

Engineering is an impressively diversified sector for such a small population area even after the pressures of the past five years. It spans a wide grouping of mechanical and electrical engineering and the metal-working trades, with a large cluster of tool and pattern-making companies.

Many of the latter are little more than sidestreet workshops but the town encompasses a clutch of intermediate manufacturing sites turning out a range of products up to sophisticated electronic and processing equipment.

Rochdale has been the beneficiary of rationalisation undertaken in the past year by two of its biggest engineering employers. Renold, which has cut back severely in West Yorkshire and Manchester, has consolidated some of its operations in the borough.

The company employs 1,000 in Rochdale in three businesses. More than half its workforce is at the Holroyd gear works in Milnrow, which apart from manufacturing worm gears has a new unit for research into and manufacture of electronic motor controllers. This unit has developed a device enabling electric motors to run at infinitely variable speeds.

The group's Merseyside-based Manesty Machines, which makes machinery for the pharmaceuticals industry including high-speed tablet-making equipment, has a site in the borough. Renold's third business is its Holcroft castings and forgings company specialising in bronze casting.

Salford Electrical Instruments (SEI), part of the GEC group, has rationalised in the past year by virtually closing its Eccles plant and transferring to Rochdale. The company, which has increased employment to about 800 in the borough, manufactures capacitors, quartz crystal products and magnetic material components.

SEI has been brought a little more into the public eye within the last month by supplying the new Ford Orion with a radio aerial unit hidden in a rear window pillar and utilising the window's demister circuit.

Besides Manesty, a large number of machine manufacturers have their homes in Rochdale, though their numbers have shrunk, especially in the textile machinery sector.

Petrie and McNaught makes washing and dyeing machinery, now largely for Third World markets, and has progressed into food processing equipment while looking to diversify further.

Farrel Bridge's activities centre on rubber and plastics processing equipment and it has been a supplier to a Dunlop company in China and to Eastern Europe. It has recently invested in laboratory expansion.

Manufacturers in the same sector include Mather Machinery—a management buy-out from the defunct Mather and Platt empire—and Thomas Robinson, which makes woodworking machinery.

Ames Crosta Babcock, based in Heywood, is a very successful design and contracting company for water, sewage and industrial effluent treatment plant and in swimming pool water purification.

Rochdale has some 15 spring manufacturers — some of them two-men operations but others like Hanson and Brierly somewhat larger. One of the biggest is F. S. Ratcliffe, which is a contractor to the Admiralty, the UK Atomic Energy Authority and British Nuclear Fuels.

One company which straddles more than one industry and has trading tentacles into the computer industry is Taylor Engineering and Plastics, which was taken out of the British Vita group six years ago. The company specialises in producing polyurethane mouldings for equipment which includes the Quantum micro-computer and the Caltext word processor.

Switch-gear

Whipp and Bourne, which employs 500 in Rochdale, manufacturers switch-gear which has gone to such diverse buyers as the nuclear power industry and the metro system in South Korea's capital Seoul.

Matterson at its Healey works manufactures double girder electric overhead travelling cranes up to 32 tonnes capacity and Span-Track produces pivot stanchion jib cranes. Mainair Sports makes microlite aircraft and Mellor Coachcraft ambulance and other special vehicle bodies.

Other companies in the broad metals sector include Storad Radiators, the Quantrate Isaac Butterworth, Lodge and Britannia foundries and a host of small component manufacturers such as precision gear maker W. R. Anderton.

The biggest company in the chemicals, rubber and plastics industries is British Vita. This group has within the Rochdale borough two factories and a much larger complex which is its head office for UK and international operations. The group employs 870 in Rochdale — 40 per cent of the group's total UK employment—but its workforce has fallen by a quarter over the past five years, with most of the reductions put into effect before 1981.

The bulk of its manufacturing involves foam production, rubber compounding, fibre processing and an increasing range of consumer products including sofas, pillows and quilts. British Vita's Middleton site is heavily engaged in new product development, mainly in foam and rubber.

The Dutch company Akzo Chemie has a production plant and research an development unit in the borough. Pia Products has moved from basic putties into silicon-based products. Ashe Laboratories manufacture products with a wide range of brand names including Amplex, Maws and Shirleys.

The top-ranking industrial company in terms of workforce is in Special Materials. TBA Industrial Products has a workforce of 1,250 in Rochdale, though it used to employ more than 2,000.

The company, part of the Turner and Newall group, has its headquarters in the town and two trading divisions—Industrial Textiles and Sealing Materials. These account for half the company's £50m turnover, with more than half the output exported.

Industrial Textiles makes a range of materials for safety, protection engineering and insulation. Sealing Materials manufactures packings and jointings for the automotive, engineering and petrochemical industries. The T and N group has run into problems with the health aspects of some of its asbestos-related processes but the Sealing Materials division can supply more than 80 per cent of its product range in asbestos-free materials.

Classic case

Fothergill and Harvey is a classic case study in diversification to the point of transforming almost its whole manufacturing character. Formerly a mainstream textile company spinning, weaving and merchanting cotton fabrics, Fothergill, which has manufacturing units and headquarters in Littleborough where it employs 600 makes, now a range of advanced industrial materials.

The company embarked a few years ago on a course of acquisition while further developing its carbon fibre materials and sophisticated fabrics, though it has cut its Littleborough workforce by a third during the current recession.

Marathon Belting is a small company which has been introducing man-made fibres into traditional belting.

TFT is the town's biggest company in the packaging industry. Employing 300 at Castleton and Milnrow, it claims to be the largest UK supplier of cardboard tubes.

Apart from the textile industry, which was its traditional market for spiral tubes and cones, TFT, which has been forced to rationalise operations during the recession, supplies the paper, film and foil industries and makes composite cans for oil, cleaning material and food companies.

Despite the economic scythe which has slashed through the town's textile sector, Rochdale still has a very important presence of basic textile companies and those manufacturing household textiles, carpets, fabrics, clothing and other related products.

The John Bright group still utilises a small tyre cord section at Fieldhouse Mill, Dunlop has a small tyre cord unit at the Castleton Mill, once the biggest of its type in the world and now housing Moben Kitchens and Woolworth's main national accounts centre.

Arrow Vale has a highly mechanised fabrics operation at Arrow Mill. Davey Kenyon is a dyeing works which was subject to a management buy-out with EEC help.

The town has at least three carpet manufacturers—Newbey, Penthouse and Ryalux. Misky International at its Vale Mill manufactures pec aprons for chain stores. Trendsmoot claims to be one of Europe's leading curtain manufacturers. Tedson Thornley produces a range of specialist and general gloves and oven mitts. Comfy Quilts and Textiles in Heywood is a manufacturer of sleeping bags, body warmers and other products.

Rochdale is a mine of small manufacturers outside these broad categories — companies like Select A Cup, vending machine manufacturer, the Briscoe Marine pleasure boat builder and J and J Makin, an outstanding supplier of custom-built electronic organs.


Textile cylinder drying machine made by Rossendale Combining Company in Rochdale. (Right) Industrial materials being tested under an electron-microscope at the Rochdale plant of TBA Industrial Products

Shift towards warehousing and distribution

ROCHDALE HAS performed well in tapping into the structural shift in the economy towards warehousing and distribution services. The M62, the three spur roads from it into the district and the availability of new business premises with good road access have given the town a big edge over many similar-sized locations.

A good many of these companies are distribution operations offering general haulage services or services tied to a major manufacturer or food chain. Lowfield, which distributes for Sainsbury, operates out of a 200,000 sq ft depot.

Other companies in a similar service relationship are Harris Distribution, which handles Mars products among others and is expanding its premises, Transcare, which hauls for Marks and Spencer and Fashionflow, an NFC associate company which also distributes for the M and S chain.

Pan Distribution carries for Comet. R. C. Hartley has set up its northern headquarters in Rochdale to service Motorist Discount Centres and Longlife shops.

Wilkinson Transport has a sizeable depot in the town and Span Express is an example of a local company which began with a couple of vehicles and now has a substantial fleet.

Many of the other distribution depots are direct servicing operations owned by manufacturers and retailers. Pirelli and Halfords have recently opened premises. Others include a distribution centre for Berger Paints, a very large C and A centre and depots for Hoechst UK, BP, Philips, Vaux Breweries and ICI Organics.

Special assistance for micros

ROCHDALE is one of only a few areas in Britain in which manufacturing companies are receiving special assistance in the application of microelectronics in product development and production processes.

A two-year scheme costing £56,000 and initiated by the Greater Manchester Economic Development Corporation (GMEDC) to cover both Rochdale and Stockport got under way this summer.

The project involves free consultants' advice in introducing or improving the use of microelectronics, mainly within manufacturing companies, and provision of assistance on the routes through which financial assistance for introducing new equipment can be found.

It follows a microelectronics advice and research project which Professor Michael Hampshire of Salford University's Department of Electronic and Electrical Engineering completed last year in West Yorkshire's Calder Valley in a joint programme funded by the local authority and the Department of Industry.

Looking to do something similar for the whole of the north-west. Coincidentally the GMEDC wanted a scheme set up in the conurbation. Mr Les Boardman, the GMEDC's managing director, approached Prof Hampshire and the microelectronics scheme took off from there.

The programme has been funded by the Department of Industry, the GMEDC, Rochdale and Stockport borough councils and the Trustee Savings Bank, which has contributed about 20 per cent of the cost.

Unlike the Calderdale programme, that for Rochdale and Stockport is not geared to produce conclusions and recommendations for the Government. Its principles and purposes, though, are broadly the same as those for Calderdale.

The scheme involves a series of visits by a business specialist and a microelectronics expert to companies seeking assistance in the application of microelectronics. The business specialist who provides consultancy for the Rochdale project is Mr Tom Saul, a former sector manager from Glaxo. A number of different electronic-computing experts are used, depending on the nature of the business being visited. The programme is dovetailed into the bank of assistance available from the Salford University industrial centre.

New technology

With products, the consultants examine whether it is important to revalue them in the light of new technology and decide whether there is some associated product that a company should develop because the technology is available and the company knows the market.

The consultants will also examine ways of improving production processes by raising speeds, increasing control over quality or giving companies a greater grip on monitoring.

Companies will also receive, in certain circumstances, advice on the use of computers in store operations and material handling, though Prof Hampshire says this is an awkward area to go into in a small way only and is probably too much for most small-to-medium-sized companies.

The use of electronics in offices is not really included in the scheme. On all aspects of microelectronic application, however, the advisors will point the way to outside consultancies prepared to do studies in much greater depth and the channels through which money might be obtained to support such studies.

The scheme generated considerable and immediate interest in Rochdale from companies looking for advice. This response initially came mainly from companies which have themselves been making real efforts to update their technology.

These include Fothergill and Harvey, which has been interested in applications related to energy management and process control, and Whipp and Bourne on robotic studies related to welding and other functions.

Mr Saul has so far visited more than a dozen companies. Examples of the kind of activities for which these companies have been seeking assistance include the control of polypropylene extrusion lengths on to bobbins, materials handling at a pharmaceutical company, and robotics and automatic assembly at an electronic company.

ROCHDALE III

Property market changing character

THE LIST of companies which have either moved into Rochdale over tho past eighteen months or have committed themselves to expanding into new warehouses and fectories looks impressive in a period of recession. Names like Hadfields, Pirelli, MFI and Moben reflect a growing presence of nationally known names.

Some of the 20 or so companies establishing new operations or extending existing plants are superstores but other are manufacturing units like Mather Machinery, Taylor Engineering and Plastics and the boilding panel manufacturer Structherm.

Many of these new or expanded operations are national or regional distribution and warehousing depots. The advantages of Rochdalo's excellent road communications is one feature of the area'e property market and one which has deeply influenced this sector for business.

Another feature is the dominance of three industrial and trading estates—Stakehill, Heywood and the Trans-Pennine—but with a partial imbalance in their markoting potential because only the Transpennino falls within the development area.

This factor can be important for manufacturing companies which are normally entitled to 15 per cent development area grants on new plant and machinery but these are not applicable to distribution companies. A third feature is tho direct rolo of the local authority. Rochdale Metropolitan Borough Council adopted a building role becauso it suspected that tho private sector was not meeting tho demand for start-up units fast enough. The council has built In tho past three years 42 starter units up to 2,500 sq ft.

Tho fourth and most unusual feature is the number of mill conversions in the district. The shrinkage of the textile industry inevitably generated a steeply rising number of empty or part-used multi-storey mills. Many of these have been demolished but there aro few, if any, areas of tho country where mill conversions are as advanced as in Rochdale and it has given the name of John Bright, the town's former textile giant, a new place in Rochdale's history.

Heywood estate

Tho Heywood estate offers units from about 3,200 sq ft to 41,000 sq ft and has 80 acres of land for purpose-built factories and warehouses of unit sizes of between 10,000 and 300,000 sq ft.

Examples of available property includo at the top end a 41,000 sq ft warehouse-factory on a 25-year lease at £65,000 per annum rent. The smallest unit, just above 3,000 sq ft on a 25-year lease, carries rent of £6,500 a year.

The Stakehill location offers new factories and warehouses from 3,000 sq ft to 52,100 sq ft as part of a construction programme encompassing a total of 250,000 sq ft of accommodation. A further 100 acres of freehold land are available for purpose-built units.

Somo 265,000 sq ft of accommodation divided into 29 units at the Trans-Pennine estate havo so far been developed and most, but not all of these are occupied.

The much smaller Royle Pennine estate of just 8.5 acres contains 157,000 sq ft of industrial and warehouse buildings in the range 5,900 to 19,800 sq ft.

There aro also a host of small estate developmonts of from four to 20 units in the development area which have been experiencing an improved take-up since area designation.

Tho "big plant" structure which used to characterise much of tho region's industrial base still pokes its head into the property market as more mills and other big manufacturing complexes come up for salo.

Much of this normally multi-storey accommodation is usually difficult to shift but property sellers in Rochdale have recently been having some success. The 128,000 sq ft Olympia Redacre mill has just been sold at auction and two offers have been put in for the huge Ellenroad mill next to the M62.

John Bright, which is part of Peel Holdings, began conversion work in the summer on Moss Mill, which has four floors, each of about 42,000 sq ft. At one end of the mill the company is putting in two lifts, each with a 6-tonne lifting capacity to service the three upper floors with a materials-carrying truck system.

Four units

Tho first floor—split into four units of about 9,000 sq ft and one of 6,000—will be serviced by a ramp and will be fitted with roller shutter doors. The basement is being utilised as a car park.

John Bright has already converted much of Fieldhouse Mill and there are about 60 companies in business there. Units for leaso rango from 1,000 sq ft to just under 60,000 sq ft.

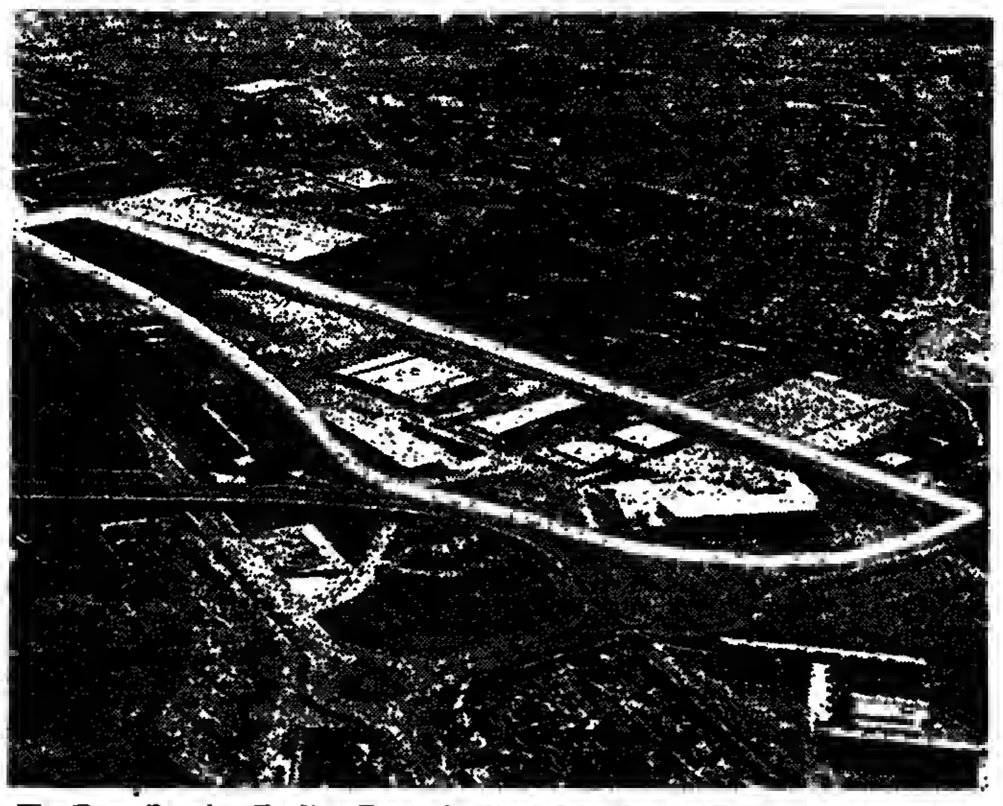
The company has a 50,000 sq ft ex-weaving shed that is only seven years old which it has been seeking a use for and a former doubling mill which it is prepared to lot off floor by floor or by another form of conversion.

Bright Leisure also seems to be on the point of clinching a deal to convert the Oxford Mill into an ice rink. Further long-term plans for the site include tho building of an hotel.

Spotland Bridge Industrial Workshops is a company managing workshops from 520 sq ft to 1,540 sq ft and larger units up to 9,000 sq ft at Spotland Bridge Mills.

The company offers a general service to occupants which includes handling of telephono messages when occupants are out, sorting mail, typing, computer and book-keeping services and security.

The Cromer Estate of units from 400 to 30,000 sq ft in Middleton is also based on a former cotton mill.



The Trans-Pennine Trading Estate is situated in the middle of the east-to-west motorway corridor and on the original site of the world's largest spinning mill

Assistance availabie for industry

PROGRAMME AREA status and throughout the greater part of tho district development area status.

- Regional Development Grant: cash grants available to qualifying companies for new buildings, plant and machinery up to 15 per cent of tho acquisition costs.
- Selective financial assistance: all investment relating to a sound industrial venture which improves employment prospects, might at the discretion of the Department of Industry receive financial aid. Such aid is additional to any regional development grants.
- Office Services Industry Scheme: commercial, distributive and professional services may obtain grant aid for administration, marketing, training or research. This aid can take three forms: up to £5,000 for each permanent job; £2,000 for tho relocation of key workers; 25 per cent of the costs of a feasibility study up to £10,000.
- Training: Training costs can be alleviated with a grant of 40 per cent of eligible costs.
- Relocation grant: This scheme makes provision for a grant of up to £5,000 to be paid to companies incurring costs by relocating their business into the borough.
- Job incentives scheme: An EEC/Greater Manchester schemo provides the following incentives for recruiting unemployed people or encouraging training—30 per cent of gross wages for 26 weeks; £25.00 per week for 52 weeks for young workers; up to £500 towards training costs.
- Co-operatives and Common Ownership: Up to £1,000 can be made available for setting up a project of this nature.
- Rent Free Periods: 12 months' rent free with a possible deferral of the second year's rent into subsequent years is available to new companies locating in council-owned property.
- Mortgages: The council will make available mortgages of up to 90 per cent for industrial premises.
- Inner Areas Programme: Grants available for conversion, improvements, adaptations and extensions to industrial and commercial buildings up to 50 per cent of the cost. Grants for "amenity works" such as car parks, landscaping, servicing areas. Rent assistance for new business start ups.
- Free microelectronics advice to selected companies in schemes, partly funded by local authority and Greater Manchester Economic Development Corporation.

The Industrial Development and Advisory Centre, Planning and Estates Department, Rochdale Borough Council, Telegraph House, Baillie Street, Rochdale. Tel (0706) 355131.

Gracie Fields on tourist itinerary

ROCHDALE is on tho itinerary of few tourists but tho birthplace of Gracie Fields and the politician and reformer John Bright has two gems to offer—the house where the world's first co-operative movement took root and Hollingworth Lake.

As with so many northorn towns wedged under the Pennines there is so much more on offer for tho outdoor and sporting enthusiast than could be imagined from standing outside its modern shopping centre.

Hollingworth Lake

Hollingworth Lake it a 117-acre stretch of water that results from tho building of three dams in 1798 by the Rochdale Canal Co. As a top-up reservoir. It was an important holiday centre before the emergence of Blackpool as the "working class paradise" and the growth in workers' disposable income. It used to be called the weavers' seaport, had a pleasure steamer and a string of hotels and public houses round its shoreline.

Nowadays the lake is set in a very pretty if rugged country park providing boating, windsurfing and country walks, details of which are availablo at a new information centre on tho lakeside.

One of these walks takes in Brearley, Whittaker and Eales and gives tho walkor tho opportunity of seeing tho remains of former collieries and the canal drain.

Another takes the walker through Syke and Booth Hollins. The grooves in the track to Syke Farm were made by horse-drawn colliery trucks hauling coal from small mines in tho valley. The hills around Hollingworth were pockmarked with those pits from which coal was mined by driving tunnels into the side of the hill on a downward slope. Slag heaps from these mines can still be seen at Syke.

Remains of a number of coke ovens exist bolow Schofield Hall. They were probably built to convert poorer quality local coal into coke before its use in steel foundries. The small settlement of Antioch derives its name from the influence of Mothodism.

Other beauty spots in Rochdale include Ashworth Valley and the conservation area around the hamlet of Ashworth Fold, Carr Wood, Alkrington Wood and the Healey Dell nature reserve. The Pennine Way passes along the borough's eastern boundary.

Rochdale is also within easy drivo of the Forest of Bowland, the Lake District and the Yorkshire Dales, as well as the West Yorkshiro toorist villages of Heptonstall and Haworth.

In Rochdale itself what is left of Toad Lano has been made into a small conservation area which includes the first successful co-operativo shop, set up hy the Rochdale pioneers in 1844 and inspired by social reformer and writer Robert Owen.

Next to it is a wino bar with a Victorian frontage carrying tripe adverts and a rear drinking area where you can play—or pretend to play—boules, a game which now has its own playing loaguo.

Town centre

The town centre is much prettior than those of most other northern towns, has some very attractivo gardens on the esplanado and an impressive Gothic-stylo town hall faced in millstono grit. A 1960s formor John Bright textile mill is being converted by Bright Leisure into an ice rink which it is claimed will he one of tho largest single areas of ice in Europe. An hotel is also planned on the site.

UK NEWS

Unions must reform levy paid to Labour Party, says Tebbit

BY KEVIN BROWN

MR NORMAN TEBBIT, Employment Secretary, yesterday urged the Trades Union Congress (TUC) to come up with voluntary reforms of the political levy paid by most unions to the Labour Party.

In a largely conciliatory speech to the party conference Mr Tebbit committed himself to legislating to force unions to hold ballots on the principle of levy payments at least once every 10 years.

"I believe that every trades unionist should have a free, unfettered, fair, informed choice on whether he or she should pay or not," he told a debate on industrial relations.

In accordance with his view that reforms can be accomplished voluntarily, he invited the TUC to put forward firm proposals together with guaranteed enforcement procedures at their next meeting on Wednesday.

But be warned: "If they cannot satisfy me on both the procedure and the guarantee, then I will have no choice but to ask Parliament to legislate instead."

Mr Tebbit has made it clear that he will not legislate to replace "contracting out" under which union members must ask to be exempted from the political levy, with a "contracting in" system demanding a positive request for inclusion, if agreement with the unions can be reached.

Mr Norman Tebbit: ready to legislate

He left no doubt, however, of his determination to act soon in one way or another. The rights of ordinary trade unionists under the 1913 Trade Union Act were being denied by union leaders who made it difficult for members to contract out, he said.

Mr Tebbit said he had no intention of being pushed by the Tory right into an all-out attack on the unions. He alluded to the failure of the Industrial Relations Act introduced by the Heath administration as a warning of the results of moving too far too quickly.

Changes in industrial relations in the last four years demonstrated the benefits of the softly-softly approach adopted by himself and by Mr James Prior, the former Employment Secretary, he said.

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State groups will be sold, Parkinson insists

BY KEVIN BROWN

Conservative Party conference at Blackpool

BRITISH STEEL, British Leyland and Rolls-Royce aviation will be returned to the private sector as soon as possible, Mr Cecil Parkinson, the Trade and Industry Secretary, said yesterday.

"These businesses, or substantial parts of them, as sure as night follows day will be returned to the private sector, to real public ownership."

Mr Parkinson's pledge is an amplification of the privatisation commitments included in the Conservative programme at the last general election. But it was greeted with cheers, as was much of his low-key speech, his first appearance in Blackpool since the announcement that his former secretary is expecting his child.

Mr Parkinson concentrated mostly on the achievements of the Government in the last four years. His ovation was warm, but patchy, with many representatives remaining in their seats.

Mr Parkinson presented privatisation of large parts of the public sector as part of a crusade for a property and equity-owning democracy.

"I believe that when the history of this decade is written it will be seen to be the time when Britain finally decided what sort of country it wanted to be – a free independent country with its economy based on private enterprise, or an ever more socialist state, with an ever more centrally planned economy," he said.

The Government had already achieved a society in which 60 per cent of the population owned their own homes, he said.

"Now we must launch our second drive. It must be to make Britain a true property-owning democracy, a democracy in which people not only own their own home but have a stake in the businesses in which they work," he said.

Mr Parkinson said equity ownership would be the second great barrier against socialism. "We have transformed the attitude to home ownership. Now we must transform the attitude to private enterprise. That is what we are after. When we have got these things we shall have a country that really is strong against socialism and then we really will have won the battle for Britain."

Returning businesses to the private sector was a matter of commercial common sense rather than ideology. Cable and Wireless had raised profits by 76 per cent and dividends by a quarter since it was privatised, he said.

The Government had restored the finances of ailing nationalised industries and returned them to viability as a preparation for sale to the private sector.

Productivity was massively improved at BL, the cars group, and British Steel, and Rolls-Royce had sold its new engine to Boeing for the 757 airliner.

Mr Parkinson said the mere threat of de-nationalisation of British Telecom, which will be brought to the market next year, had transformed the company. The Mercury business telephone system would develop into a rival network, and there were 46 companies which would link new technology to telephone lines.

Today, attitudes had changed. Britain was strong and respected, paying its way and giving others a lead. The Government's overseas borrowing had been reduced by thousands of millions of dollars, while overseas investment had increased by £32bn.

"Britain is no longer thought of as an example of how to ruin a fine country, but as a country which has identified its problems and is tackling them in a most determined way. The first signs of success are there," he said.

Attack on EEC over farming subsidies

By Lisa Wood

CRITICISM OF the European Commission's "ill-conceived" attack on British beef and sheep subsidies was made by Mr Michael Jopling, the Agriculture Minister.

Mr Jopling was replying to the debate on food and farming in which the Government was urged to "have proper regard for the future of the British livestock, horticultural and glasshouse sectors."

He said the Government would resist some of the easy options the Commission had proposed. "They have made an attack on our beef and sheepmeat premiums and the butter subsidy," said Mr Jopling. "The attack is ill-conceived, particularly because these aids help consumers and reduce the need for intervention buying. They propose a ridiculous tax on oils and fats. We reject that totally.

"It would be triple folly. Taxing consumers, particularly the less well off; adding costs to our highly efficient food manufacturers who do so much to improve the marketing of British food; and infuriating third countries."

He pledged his resolution in the forthcoming talks on the Common Agricultural Policy (CAP), to make sure any new package did not treat Britain unfairly, and to organise the market regime of the CAP and the financial system of the Community so that the cost of CAP rose more slowly than the income of the Community.

For the first time Mr Jopling gave a commitment to Britain's farmers on marginal land: that if EEC permission was granted in principle to extend assistance to these areas the Government would provide extra financial help. He envisaged a second tier of support compared with that for the high hills or upland areas. More, he said, needed to be done to correct the imbalance which existed in favour of the grain sector.

Mr Graham Kendall, a Bedfordshire delegate, spoke of the problems of Britain's pig and glasshouse industry. EEC rules he said actively discriminated against UK pig farmers, whose members had fallen in number by 25 per cent since 1977. Mr Peter Jenkins (West Dorset) highlighted the problems of dairy farmers, disputing claims that British farmers over-produced and asked why Greece was not urged to take EEC milk.

Mr Jopling said that the Commission's proposed super-levy for milk was a poor substitute for a realistic price level and could easily become a device to favour small inefficient farmers in various regions of the Community.

The motion was carried, as was an amendment expressing disquiet over surplus farm products which could not be sold at a price which met their cost of production.

Cuts must not harm welfare, Prior warns

By Peter Riddell, Political Editor

AN EXPLICIT warning against public-spending cuts at the expense of welfare services was given last night by Mr James Prior, Northern Ireland Secretary.

At a Tory Reform Group dinner Mr Prior appealed for a reconciliation of the different groups within the Conservative Party without prejudicing the welfare state's most important principles.

He was indicating the sticking points for the moderates in the expenditure review and the discussion of long-term spending plans.

His theme was similar to that of Mr John Biffen, Leader of the House of Commons, in arguing that tax cuts should not be an absolute priority, compared with spending commitments. That contrasts with the emphasis placed on tax cuts by Mr Nigel Lawson, Chancellor of the Exchequer.

Mr Prior said: "While the theoreticians of liberal economics tell us the people are chafing to be given greater incentives through tax reductions, public opinion polls show very little demand for immediate tax cuts, if these were to be made at the expense of spending programmes like income support for the poor and unemployed, education, health or social services."

Mr Prior said that by the next election the voters would expect considerable progress in reducing unemployment.

Minister stands firm on cuts in health service expenditure

BY IVOR OWEN

A COMBATIVE speech by Mr Norman Fowler, the Social Services Secretary, in which he defended the Government's attempt to restrain the growth in expenditure on the National Health Service (NHS), won him the best conference reception of his political career.

He reiterated the party's commitment to the NHS and vigorously denied that the pledge given by Mrs Margaret Thatcher, Prime Minister, during the general election campaign, that it was safe in Conservative hands, had been broken.

He insisted: "Not only is the NHS safe with us but it is infinitely safer than it would be under any of the policies put forward by the Labour Party."

Mr Fowler emphasised the substantial rise in expenditure on the NHS over the last four years – up from £7.75bn to £15.5bn – and maintained that there was ample scope to achieve the economies now required through reductions in administrative staffs and savings in fuel, telephone and other similar bills.

To further applause, he made clear that the blame for any cuts affecting doctors and nurses should be directed at the regional health authorities and not the Government.

"The discretion is with the authorities," he said. "But let there be no doubt I would like to see the savings directed at the administrative tail of the health service, not concentrated on the nurses."

Determination among the representatives not to spill any ministerial blood over the cuts was apparent from the start, when it was announced that no attempt would be made to amend the anodyne motion selected for debate.

One of the few rank-and-file speeches to cause anxiety on the platform was made by Mr David Hammond, a male nurse, who protested that the cuts in nursing staff announced in the last few weeks were in direct opposition to the Conservative Party's promises at the June general election.

Recalling Mrs Thatcher's election pledge, he demanded: "What am I to say to those who trusted me and you, Mr Fowler, now that we have a directive to cut back on the service which we proudly boasted of having increased?"

Mr Arthur Newton from Selby complained that the recent manpower cuts had completely shattered the confidence of many in the NHS.

"More important, many staunch Conservative supporters feel that our election promises to maintain the health service with financial support have been broken."

Mr Fowler said he was determined to cut the NHS bill for drugs.

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APPOINTMENTS

Investment manager for Lloyds Bank

Mr Mel Jones has been appointed chief investment manager of LLOYDS BANK, following the retirement of Mr Bert Morris. Mr Bruce Ackerman becomes deputy chief investment manager and Mr E. W. "Chip" Shipley is appointed marketing manager. Mr Jones heads a department of 84, responsible for funds totalling £2.7bn, most of which is in pension and local authority funds. A further £800m is invested in the bank's nine unit trusts and £45m in two offshore funds, which are managed from Jersey.

*

Mr K. F. Ward has retired as chairman of the CRONITE GROUP and as a director. Mr David Pinsent, a non-executive director, has been appointed chairman.

*

Mr C. J. Tappin has become deputy group managing director of SPIRAX SARCO ENGINEERING in addition to his duties as managing director of major operating company, Spirax-Sarco. Mr T. B. Fortune has joined the main board as group manufacturing director (Spirax Sarco products) in addition to his duties as manufacturing director of Spirax-Sarco. Mr S. J. D. Gegg has joined the main board as group sales director (Spirax Sarco products) in addition to his duties as sales director of Spirax-Sarco. Mr S. J. Harris, group financial controller and secretary, has joined the main board as group financial director and continues as secretary.

*

Mr John Brown has been named managing director designate of FERROFORT-HOLEC, Birmingham. He will assume control in January replacing Mr Bob Tong who is shortly to retire. Prior to joining Ferrofort-Holec earlier this year, Mr Brown was technical and commercial director of Delta Electrical Systems.

*

THE LIVERPOOL DAILY POST AND ECHO has appointed Mr Graham Charles Parsen to its board. He was managing director of Board Products, the group's principal fibreboard packaging company, from 1965 until 1979 when he assumed responsibility for all group packaging operations.

*

Mr D. Jeffries has been appointed financial director of NETWORK TECHNOLOGY and company secretary of Information Technology, NTL's parent company. For the past two years he has been financial controller at NTL.

*

Mr Francis R. Black has been appointed finance director for the international group of ALLEGHENY INTERNATIONAL INC of Pittsburgh. He has joined the international group board and will be based in London. For the past seven years Mr Black was group financial director of the Thomas Tilling Group.

*

Mr Cyril T. Green has been appointed managing director of CHUBB FIRE SECURITY. He was previously operational managing director (European division). Mr Green succeeds Mr Philip Cressland, who has become managing director of Chubb and Son.

*

WINDSOR LIFE ASSURANCE CO has appointed Mr Brian Wood as actuary. Mr Wood, who is already chief financial officer, takes over as actuary from Mr John Wybrew, managing director.

*

Mr D. E. John and Mr W. G. Fearnley-Whittingstall have resigned their directorships of Urwick Orr and Partners U.K. to form their own company.

*

Mr Alan Calverhouse has been appointed regional director, sales and marketing, of HOGG ROBINSON (BENEFIT CONSULTANTS).

*

CITICORP DEVELOPMENT CAPITAL, venture capital arm of Citicorp in the UK, has appointed Mr Eric J. Cater as company secretary, and Mr Frank Neale and Ms Liz Hewitt as senior investment managers.

*

Mr J. W. (Jim) Parkinson has been appointed sales and marketing director of BARTON CONDUITS, Walsall.

*

From January 1 the board of WATES will be: Mr Christopher Wates (chairman), Mr Philip Lord (managing director), Mr John Richards, Mr Robin Lovell, Mr William Gair, Mr Gerry Kissily, Mr Frank Mann. Mr Lord has become chairman of Wates Construction, and Mr Richards and Mr Lovell joint managing directors. Mr Derek Boston, managing director of Wates Special Works will join the board of Wates Construction. Mr Martin Peat is appointed surveying director of Wates Special Works. Mr Christopher Wates is appointed chairman of Wates Built Homes and Mr Lord will join that board. Mr William Gair continues as managing director.

*

Mr Peter Watson has been appointed managing director of TOLLEMACHE AND COBBOLD BREWERIES, an Ellerman Lines company, from November 7. He was previously managing director of Burtonwood Breweries.

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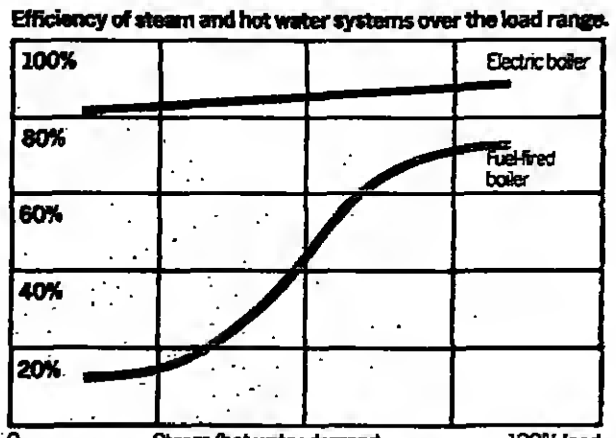

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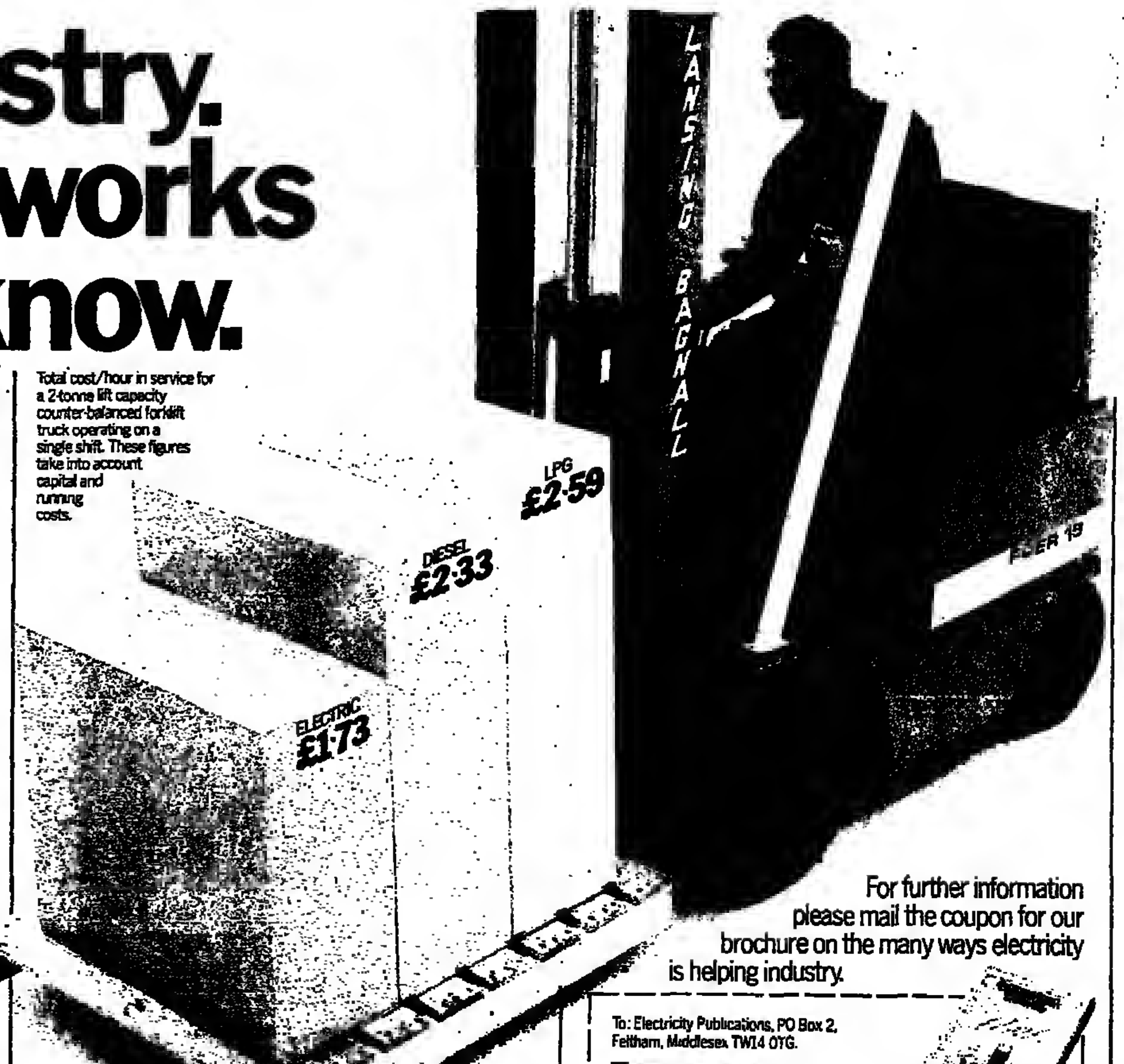

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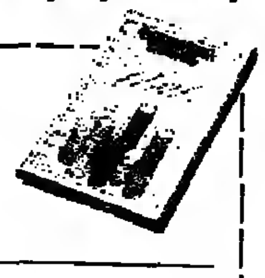

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UK NEWS

Better value sought in defence buying

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

MEASURES TO give the Ministry of Defence better value for its multi-billion pound defence equipment programme were published in London yesterday.

The measures, which range from increasing competition in the award of defence contracts to the involvement of industry in the formulation of armed services requirements for equipment, have been introduced progressively over the last two years. They pre-date, therefore, the present regime at the MoD under Mr Michael Heseltine, the Defence Secretary, and Sir Clive Whitmore, the new Permanent Secretary.

Publication of the new procedures in the form of an Open Government Document has been long awaited, but appears to have been delayed by disagreements over the status of the document within the MoD and the Department of Industry.

The resulting compromise does little more then summarise material already available in the Defence White Paper of 1982.

Britain's current defence equipment budget is £7.2bn out of a total defence budget approaching £16bn. Two main categories of measures are aimed at getting the armed services to order and industry to produce equipment which is simpler, cheaper and more readily exportable, and at devolving more responsibility on industry for producing defence equipment.

The MoD, for example, is now asking industry's advice before the services' requirements for particular equipments are finalised, in the hope of avoiding "gold plating" and of increasing the exportability of British arms and equipment.

It is also trying to move away from awarding contracts on a cost-plus basis to forms of incentive pricing. According to the new figures from the ministry, only some 16 per cent of contracts are new cost-plus.

Miners' union faces internal power fight

BY OUR LABOUR CORRESPONDENT

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (NUM), signalled the start of a new power battle in his union when he annouced formally the resignation from office of Mr Lawrence Daly, the union's general secretary.

The main candidate from the left in the NUM is likely to be Mr Peter Heathfield, president of the NUM's North Derbyshire area. Mr Heathfield, who is understood to have the support of the NUM's influential vice-president, Mr Mick McGahey, is an articulate left-winger, though one whose intellectual position has led him into opposition to Mr Scargill.

A candidate from the NUM's split and rudderless right wing is less easy to discern, though the probable favourite must be Mr Ray Chadburn, the Nottinghamshire miners' president, who came third to Mr Scargill in his successful election to the union's presidency.

After a meeting of the NUM executive in Sheffield, Mr Scargill disclosed that earlier this week the union had received a letter from Mr Daly indicating his wish to retire. This move follows protracted negotiations on a retirement package for Mr Daly, which he accepted in private almost a month ago.

Mr Scargill said the ballot for his successor would take place next January. He was less candid, though, about the likely date for Mr Daly's retirement, which he would only put at "April, or possibly a little later" next year.

The precise timing of his retirement might yet be crucial, since Mr Heathfield, who is 54, might well fall outside the NUM's rule which prohibits members from taking office after the age of 55.

Business aids that bring problems

FINANCIAL TIMES REPORTER

THE PROFESSIONAL personal computer often brings as much trouble as benefit because it is as difficult to use well as it is to manufacture or market profitably, according to Mr Ian McNaught-Davis, managing director of Comshare and chairman of the Financial Times Professional Personal Computer Conference.

He added that much thought was needed to attain "perfection at low cost" and he discounted "a great deal of hype" which was misleading businessmen.

He said: "There is no doubt that people in businesses want to have computers, but they want them to take away the boring elements of their work and not to add more in its place."

This urge to obtain a personal computer could lead to badly burnt fingers for the less-informed.

Mr McNaught-Davis said that because there was confusion in the personal computer market "people are heading for safety" in the shape of IBM, the world's biggest computer company.

Mr Ted Stein, assistant vice-president of Connecticut Mutual Life, one of the biggest insurance companies in the U.S., which has installed more than 1,000 personal computers, admitted that it went to IBM for safety, adding: "We're not used to taking risks."

Large organisations find it difficult to cope with personal computers, which "began to proliferate like rabbits" at the end of the 1970s, Mr Stein said.

He was then in charge of developing a sophisticated service network for Mutual Life's 90,000 brokers and agents in the field.

Mr Stein said that, rather than continuing with an elaborate network of IBM minicomputers, his organisation decided to offer a "throwaway" solution.

One man on the company's basis II project noticed at home one night that the Apple personal computer was so popular that it had been featured on the Walter Cronkite television show.

The Apple plan, which Mutual Life took up, saw the expensive and complex IBM network replaced with personal computers which most of those 90,000 field agents had access to or could afford to buy.

Many organisations suffer from the proliferation of different and incompatible types of personal computer which serve eventually to depreciate the immediate gains in productivity.

Compatible personal computers which can be linked together to share resources need a great deal of effort, as Mr Stein pointed out. Mr Frank Newell, chairman of the major computer supplier NCR, said the onus was on the personal computer user "to overcome the isolation of incompatible computer systems in different parts of large organisations."

Computers used to be sold by a team of salesman from each supplier, until Digital introduced a smaller, cheaper minicomputer which could be sold through third parties.

FT COMPUTER CONFERENCE

Dutch company buys rights on NewBrain

BY RAYMOND SNODDY

A DUTCH company is to buy the NewBrain microcomputer produced by Grundy Business Systems, the UK computer company which went into liquidation last month with debts of £3m.

Tradecom International, which distributed the NewBrain computer in the Netherlands, Scandinavia, Spain, Belgium and South Africa, has signed heads of agreement to buy rights to the machine.

Mr Timothy Harris of Deloitte, Haskins and Sells, the liquidator, said yesterday be expected a final agreement to be signed next week. Completed NewBrains could be released for sale soon after that.

In the short term, the computer will continue to be manufactured by the Thorn EMI subsidiary Datatech but manufacture is likely to be transferred to Holland.

Mr Jack Van Der Schrier, director of Tradecom, said the NewBrain had been well received in Europe and a number had been sold to Dutch schools.

By eventually transferring manufacture to the Netherlands he hoped the machine, originally designed by Sir Clive Sinclair, would become more Dutch and have a better chance of being accepted as a standard schools computer in Holland.

Tradecom had itself produced the enhancements for the machine such as networking ability — which had been delayed in the UK. When Grundy Business Systems collapsed the NewBrain had about £1m in orders.

Mr Harris said yesterday that a sale would enhance the value of stock and components and mean more money for creditors than they would otherwise have got.

Lawyers' salaries rise 12.4% a year

BY RAYMOND HUGHES

THE SALARIES of lawyers employed in finance, commerce and industry have increased by an average 12.4 per cent in the last year, according to a survey published in the Law Society's Gazette.

At the head of the table are senior legal advisers — barristers or solicitors having final legal responsibility to their employers — aged between 40 and 44, who average £42,618. Those aged between 45 and 49 are averaging £40 492, slightly more than the 35 to 39 age group earning £39,262.

Legal advisers, who may head a small legal department, or be responsible to a senior, earn an average £24 657; the 40-44 age group again topping the list with £28,875. The average for legal assistants is £17,847.

Between 1974 and this year salary increases for lawyers in industry have averaged 14.9 per cent — ranging from 3.8 per cent in 1976-77 to 24.5 per cent in 1979-80.

The Gazette reports that the survey records that 84 per cent of the group now have the use of a company car, compared with an average 77 per cent for 1981 and 1982. The salary figures include the gross money value of employees' perks, such as cars, free petrol, travel allowances, home telephone, free lunches, and subsidised mortgages.

CBI chief's visit brings out Dunlop workers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A VISIT by Sir Campbell Fraser, president of the Confederation of British Industry (CBI), to the West Midlands yesterday brought a protest stoppage at one of his factories.

About 800 staff at Fort Dunlop, Birmingham, where 1,000 jobs are at risk because of Dunlop's decision to sell its tyre business in Britain to Sumitomo, of Japan, stopped work for half an hour. Meanwhile, shop stewards from the factory presented a petition to Sir Campbell as Dunlop chairman demanding his resignation and that of the board.

Sir Campbell, at a Birmingham hotel for the West Midlands CBI annual lunch, spent 15 minutes in private with the shop stewards. He said there was "a substantial question mark over the jobs." Sumitomo, however, had not yet had the opportunity to examine the factories in detail and might keep some part of the affected car tyre site operating.

At the lunch Sir Campbell stressed the need for improved competitiveness and higher productivity. He said: "No one is looking for a soft option. No one should expect one. Tomorrow's jobs, and today's, depend upon our ability to match the competition."

Price was the major factor in competitiveness and pay had the largest influence, he said.

THE ARTS

Theatre

LONDON

The Tempest (Barbican): Derek Jacobi takes a short respite from his recent triumph as Cyrano to add last summer's Stratford Prospero to the RSC London programme. A younger magus than is usual, he gives a performance that is technically accomplished and imaginatively adventurous. An entertaining production. (628 8795).

Tales from Hollywood (Lyttelton): New Christopher Hampton play about the European emigrés working in Tinseltown during the war. Intelligent, witty and pertinent play about the artist in exile, with Michael Gambon as the lugubriously resurrected Odon von Horvath and Ian McDiarmid a predatory, very funny Brecht. (928 2252).

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

A Patriot For Me (Haymarket): Alan Bates leads a wonderful revival of John Osborne's masterful play about sexual and conspiratorial intrigue in the Austro-Hungarian empire. A rich tapestry, with a famous drag ball scene at the centre. (930 9832).

Great and Small (Vaudeville): Glenda Jackson in top form as an urban lady on the brink. Keith Hack's production is very fine, and London has done full justice to Botho Strauss, one of West Germany's leading young playwrights. Pessimistic material but a highly refreshing, and above all different, sort of evening. (836 9988).

Song and Dance (Palace): Surprise hit at the Palace, newly acquired by the show's composer Andrew Lloyd Webber. Lulu now sings, Graham Fletcher dances. Overblown middle-brow stuff. (437 6834).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaite Parisienne, but the intimate moments borrowed direct from the film. (757 2626).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast. (541 8394).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000).

A Raisin in the Sun (Goodman): season opener celebrates the 25th anniversary of Lorraine Hansberry's play that explores racial conflict when the black Younger family move to a white neighbourhood. Ends Oct 30. (443 3800).

WASHINGTON

The Importance of Being Earnest (Arena Stage): with Richard Bauer as Lady Bracknell, Tom Hewitt as Jack Worthing and Marilyn Caskey as Gwendolyn, the Arena Stage gets an exuberant start to a season that will include two contemporary British plays, Simon Gray's Quartermaine's Terms and Caryl Churchill's Cloud 9, as well as Christopher Durang's Beyond Therapy and Chekhov's Three Sisters. Ends Nov 13. 6th & Maine SW (488 3300).

Troilus and Cressida (Folger): Treating Shakespeare's version of the Trojan War as satire, director John Neville-Andrews casts Craig Paul Wroe as Troilus, Greta Lambert as Cressida and John Wylie as Pandarus. (546 4000).

Arts Week

F	S	Su	M	Tu	W	Th
14	15	16	17	18	19	20

Cinema/Nigel Andrews

The Electric fades from Portobello

Eve, directed by Joseph Losey
In The White City, directed by Alain Tanner
Coup de Foudre, directed by Diane Kurys
Blow To The Heart, directed by Gianni Amelio
Young Giants, directed by Terrell Tannek
Siege

Jeanne Moreau in Losey's "Eve"

The Electric Cinema, the oldest purpose-built movie theatre in Britain, ends its life as a repertory cinema this month. Flowers and condolences should be sent post-haste to Portobello Road. Although the Electric will commence a new career as a first-run independent art-house, the cinema's long and glorious recent past as helter-skelter crash course in film history cannot go uncommemorated.

In the last decade or three, you have been able to see anything and everything there. It was Filmdom's equivalent of the Portobello market. You could drift into the cinema after buying a Second Empire chest of drawers or a flight of plaster ducks and find the celluloid equivalent: *Citizen Kane*, say, followed by *Dan Dare Meets the Mekon*. It was ramshackle in its decor and upkeep, funded on a rather less than a shoestring. But it was the only cinema in London where although they adhered to a *sort* of themed programme — you might have film noir on Friday, Stanwyck on Saturday, skiing films on Sunday — the variety of movies was rich, reckless and unstoppable. It was at the Electric that I first saw Renoir's *La Regle du Jeu*, Welles's *The Lady From Shanghai* and Mizoguchi's *Shin Heike Monogatari*. Not, I hasten to add, all on the same afternoon; though knowing the Electric I'm sure they could have arranged that.

Their last bumper revival is Joseph Losey's *Eve*. No film that ends with dressed-to-the-nines courtesan Jeanne Moreau gazing soulfully across the Piazza San Marco at vanishing novelist and lover Stanley Baker and saying "Bloody Welshman" can be all bad. But Losey's film was considered to be just that when it came out in 1962. Brutally hacked, says Losey, by its producers, the Hakim brothers, and with its Italian supporting cast horribly dubbed into English, it spends most of its 111 minutes fighting off total preposterousness. It often succeeds, even if it finally succumbs.

The film's wintry Venice, filmed in black and white by cameraman Gianni di Venanzo (*La Notte*, *8½*), is a triumph of spooky beauty. Moreau is a sultry-eyed odalisque with smoky-sexy voice, and past-mistress at wielding a riding crop. And Losey is one of the few modern directors brave enough to try the grand visual gesture — the profile arched rhetorically against a white wall, the courtesan subsiding in a pool of feathers on her bedroom floor — even if in some films (*Secret Ceremony*, *Don Giovanni*) it works better than in others (this one).

*

Nothing could be *less* baroque, on the other hand, than Alain Tanner's *In The White City*. Tha film was inspired, says the Swiss director, by a surreal *objet trouve* he found in a bar in Portugal: a clock whose hands and figures weot backwards as if seen in a mirror. The "white city" is Lisbon and it's also the mind of our crisis-caught hero Bruno Ganz, ship's mechanic. Here he is, furloughing in a seedy hotel after quitting his freighter, trying to wipe his life clean aod for a week or two to destroy "time."

It would be an exaggeration to say that anything happens in the film. There is a fleeting romance with the hotel maid (Teresa Madruga). There are letters and an 8mm movie diary sent off to his wife in Germany. (Ganz whirs his camera at anything that moves.) There are two hoodlums from a saloon bar who assault Ganz and steal his money. None of these incidents ever quite builds into a "story;" but though the plot thins rather than thickens, the movie grows into a fascinating portrait of a man trying to be reborn, to build his life and feelings again like the white blocks of Lisbon itself.

It's a film about Time. Has anyone heard of the axolotl? Ganz: "The ship's captain once said I was an axolotl." It's the larva of a salamander, as Miss Madruga here discovers in a book, and it has "the ability to eliminate space and time by its immobility." Ganz's Portuguese hibernation attempts to do the same. But something that asks a little of an axolotl asks a lot of a man. And lo!—before curtain time—Ganz gets sucked into the slipstreams of Time once more. The film offers a fascinating, ironic play of ideas, and Ganz's performance is his best in years: free-form, doggy-eyed and deliciously idiomatic.

*

In Diane Kurys' *Coup de Foudre (At First Sight)* and Gianni Amelio's *Colpire al Cuore (Blow to the Heart)* strong ideas are not quite matched by strong cinematic imagination. Kurys spins the decade-hopping, autobiographical yarn of two Frenchwomen (Isabelle Huppert and Miou-Miou) propelled towards intimacy by their respective doomy marriages. We first meet Mlle Huppert in a WW2 internment camp in Vichy France, from which she rescues herself by marrying a macho-boorish French legionnaire (Guy Marchand). Meanwhile Miou-Miou is an art student in Paree who loses her resistance-fighter husband and marries a ne'er-do-well actor and black marketeer (Jean-Pierre Bacri).

Children bounce forth into the world; one of them (Huppert's daughter) the soon-to-be Miss Kurys. And as *les années passent* the two ladies meet, are magnetised and finally conjugate in a hotel room in Paris. Their spurned mates take to violence, tears or the bottle.

This is really superior Lelouch-ville. The movie pounds across the years, filmed in knock-on scenes of soap-operatic "what next?" and oft-times overlaid with luxuriant pianistic plinkings (or with "I wonder who is kissing her now" circling with overinsistent irony on Marchand's gramophone). That it could all have been swifter, subtler and more stinging is clear from moments like Miou-Miou's whispered bombshell to Huppert, right under their husbands' noses, after the two couples' first dinner together—"You are not made for each other." A tale that could have been electrified by a little visual imagination and dramatic ellipsis instead drifts towards close-down wrapped in an elder-down of easy sentimentalism.

Blow to the Heart is one of those films so good that one wishes they were slightly better: they could be tipped over into masterpiece class. Jean-Louis Trintignant, resembling a pale and shell-shocked frog, is a university teacher and Left-wing sympathiser. He is also father to Fausto Rossi, an early teenager with angel face and halo of tousled hair, and lover to one of his own students. When the boy discovers that Morante is involved in terrorist activities, he tries to push his father into informing on her. When he refuses, the boy sets about preparing his own punishment.

The father-son relationship is scored with superb instrumental complexity: for shaggy-dog comedy, for ideological distrust, for fleeting affection, for Oedipal hatred. The film is built hauntingly and almost totally around ecboes and darkness.

Echoes of Italian history, of traditionalist notions of the Italian family, even of Italian cinema (Trintignant's role as a Right-wing totem figure in *The Conformist*); and the darkness of deserted cityscapes, dank and clanking night streets.

Yet the movie, like Kurys', is stuck on curiously unlofted narrative rails and ends up vitiating its potential for real surprise. It never takes a detour and seldom varies its darkly dogged rhythm. Masterpieces are born when the power of an idea breaks or changes the trajectory of form (viz Antonioni, Pasolini, Bellochio). Amelio's ideas, though compelling, never quite summon the strength to do that.

*

There are also, of course, films so bad that they never find the trajectory of form in the first place. *Young Giants* skeeters with clogs on through the story of a San Diego orphanage saved from destruction by the footballer Pele (played by Pele) who wings in for some charity coaching. Father John Huston, the orphanage head, is dying of cancer and growls and grizzles from a hospital bed as his "booyghha out thairr" take one of the top school soccer teams in America. Handkerchiefs out for the guess-who-wins ending.

Siege is even worse. Gay boy pursued by out-of-uniform band of gun-toting vigilante cops; siege of the apartment he dives into and holes up in, where dwell two blind boys, a nervous girl, a macho student and a young amateur weapons-maker (*sic*); and mayhem and mortality ensue. So bad dialogue, ludicrous plot twists and much gratuitous thuggery.

Better to take yourself to the Riverside Studios on Saturday, where the great Russian director Andrei Tarkovsky—of *Solaris*, *Mirror* and *Stalker*—makes a rare personal appearance in Britain to talk about bia films. Hone your questions carefully; you may never get another chance to ask them.

Music

LONDON

London Symphony Orchestra, conductor Yuri Simonov, Henryk Szeryng, violin: Tchaikovsky (including Violin Concerto), Beethoven. Royal Festival Hall (Mon) (928 3641).

English Chamber Orchestra, conductor Charles Mackerras, John Lill piano: an all-Mozart programme. Queen Elizabeth Hall (Mon) (928 3641).

Young Musicians Symphony Orchestra, conductor James Blair, Andrew Shulman, cello: an all-Elgar programme. Barbican Hall (Mon) (638 8891).

Royal Philharmonic Orchestra, conductor Charles Groves, Cristina Ortiz, piano: an all-Beethoven programme. Barbican Hall (Tues) (638 8891).

Yehudi and Jeremy Menuhin playing Brahms sonatas for violin and piano. Royal Festival Hall (Wed) (928 3641).

Dimitri Alexeev piano recital: Prokofiev, Ravel, Chopin, Queen Elizabeth Hall (Wed) (928 3641).

New Symphony Orchestra with the Band of the Coldstream Guards, conductor Kenneth Alwyn, Lydia Mordkovitch, violin: all-Tchaikovsky programme, including the Violin Concerto in D and the 1812 Overture. Barbican Hall (Wed) (638 8891).

London Oriana Choir with the London Baroque Orchestra, John Ogdon, piano, and soloists Fiona Dobie, Margaret Cable, William Kendall, Roderick Earle, conducted by Leon Lovett in an all-Mozart programme including Mass in C minor. Barbican Hall (Thur) (638 8891).

Lydia Mordkovitch, violin, Peter Donohoe, piano: Beethoven, Shostakovich, Stravinsky, Franck. Queen Elizabeth Hall (Thur) (928 3641).

PARIS

Academy of Ancient Music with Christopher Hogwood as conductor and harpsichord soloist, Patricia Kwella, soprano: Vivaldi, Handel (Mon). Théâtre des Champs Elysées (723 4777).

Ensemble Orchestral de Paris, conducted by Jean-Pierre Wallez, Elena Vassilieva, soprano, Jadwiga Rappe, alto, John Elwes, tenor, Gregory Reinhart, bass with "Orfeon Pamplonés" Choir: Bach's Mass in C Minor (Mon). Salle Pleyel (563 8873).

Chamber Music - the Twelve Violins of France, Contrebass Quattuor, Cello Quattuor and musicians from the Orchestre National de France (Mon). Salle Gaveau (563 2030).

Nouvel Orchestre Philharmonique conducted by Rolf Reuter, Peter Roesel, piano: Beethoven, Brückner (Tue). Radio France, Grand Auditorium (524 1516).

Claude Helffer, piano: Debussy, Boulez, Schumann (Thur) Salle Gaveau (563 2030).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Itzhak Perlman, violin, Joseph Robinson, oboe. Bach, Saint-Saëns, Varese (Tue); Zubin Mehta conducting, James Vandemark, double bass, Harvey Pittel, saxophone. Debussy, Menotti: Double bass Concerto (world premiere) (Thur). Lincoln Center (874 2424).

Merkin Hall (Goodman House): St Luke's Chamber Ensemble: Copland, Francaix, Pasquotti, Feonimore (world premiere) (Tue); Music Today, Gerard Schwarz conducting: Busoni-Schönberg, Webern, Davidovsky, McKinley: Symphony (world premiere) (Wed); John Walz, cello recital: Frescobaldi, Beethoven, Martinu, Brahms, Chopin (Thur). 67th W. of Broadway (362 8719).

Columbia String Quartet (92nd Street Y): Carter, Schönberg, Bartok (Tue). 1395 Lexington Ave (427 4410).

WASHINGTON

Shura Cherkassky piano recital (Terrace): Bach/Busoni, Schumann, Berg, Liszt. Kennedy Center (254 9895).

Concert Hall (Kennedy Center): Philadelphia Orchestra, Riccardo Muti conducting, Anthony Gigliotti clarinet: Maderna, Mozart, Tchaikovsky (Mon); National Symphony, Erich Leinsdorf conducting, all-Bruckner programme (Tue, Wed, Thur). (254 3776).

BRUSSELS

American Chamber Symphony Orchestra, conductor Rober Frisbie with Marielle Nortmann, harp: Weber, Beethoven. Palais des Beaux Arts (Thur).

Opera and Ballet

LONDON

Royal Opera, Covent Garden: only one opera on show at Covent Garden this week - Massenet's Werther, with Giacomo Aragall and Yvonne Minton, conducted by Jacques Delacote.

English National Opera, Coliseum: Further performances of the controversial ENO production of Monteverdi's Orfeo by David Freeman, and of the new Rienzi, with Kenneth Woollam, Felicity Palmer and Kathryn Harries.

Royal Opera House, Covent Garden: Natalya Makarova joins the Royal Ballet as guest artist in Manon on Saturday, and dances Voluntaries in a triple bill on Thursday. There is a performance of Manon without her on Wednesday.

Sadler's Wells, Rosebery Ave: the mime Lindsay Kemp opens a season with a programme about Midsummer Night's Dream.

PARIS

Rossini's "Moses" in a new production by Luca Ronconi conducted by Georges Prêtre with Samuel Ramey and Shirley Verrett alternates with Puccini's "Madame Butterfly" conducted by Alain Lombard in a Teatro Communale de Florence production with Raina Kabaivanska/Helene Garetti as Madame Butterfly at the Paris Opera (266 5022).

"Vive Offenbach": conducted by John Burdekin, produced by Robert Dhery at the Opéra Comique (296 0611).

Duo-Jazz-Opera: Davies, Ligeti, Borles with the Ensemble Inter-Contemporain (8.30pm), Ballet Théâtre Français de Nancy. Choreography by Kenneth Mac Millan, Agnes de Mille, Jiri Kylian, Music by Shostakovitch, Schubert, Haydn (6.30pm, Sun 3.30pm) TMP-Châtelet (261 1983).

Paris 21st International Dance Festival: Le Ballet du Nord, Choreography by Vincente Nebrada, Alfonso Cata. Théâtre des Champs Élysées (723 4777).

Dana' Reitz: Field Papers. Centre Georges Pompidou (278 7995).

NEW YORK

Metropolitan Opera (Opera House): The fourth week of the centenary season features Peter Grimes, La Bohème, Les Troyens, La Fille du Regiment and La Forza del Destino. Lincoln Center (580 9830).

New York City Opera (New York State Theatre): Madame Butterfly, Candide, Mice and Men, and Alcina. Lincoln Center (870 5570).

WASHINGTON

Houston Ballet (Opera House): Mixed programme of this young company, led by choreographer Ben Stevenson will feature Stevenson's version of Sleeping Beauty set to Tchaikovsky and originally performed at the London Festival Ballet. Kennedy Center (254 3770).

WEST GERMANY

Berlin, Deutsche Oper: Premiering this month is Zimmermann's Die Soldaten, presented for the first time in Berlin. It is produced by Hans Neuenfels and has Catherine Gayer and Rolf Kühne in the main parts. Orpheus and Euridice has fine interpretations by Hanna Schwarz and Helen Donath in the leading roles. Karan Armstrong does justice to the title role in Korngold's rarely played Die Tote Stadt. Der Barbier von Sevilla closes the week.

Hamburg Staatsoper: At the occasion of this year's Wagner celebrations, The Flying Dutchman is presented this week. It has Franz Ferdinand Nentwig in the title role. Premiering this month is a new production of Turandot, directed by Gian Carlo del Monaco, with Eva Marton in the title role. Arabella has Judith Beckmann and Bernd Weikl in the leading roles.

Cologne Opera: Also in honour of this year's Wagner anniversary, Die Meistersinger von Nürnberg is presented this week featuring Manfred Schenk as Sachs. Further performances are the Turn of the Screw, Don Pasquale and Andrea Chenier.

Frankfurt Opera: Jenufa, reproduced this season, has June Gard in the title role. Aida, sung in Italian, convinces thanks to Rosalind Plowright, brilliant in the title role.

ITALY

Venice: La Fenice, Carolyn Carlsons Ballet (Sun, Tue, Thur)

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business.

The Tate Gallery: New Art — an extensive and extraordinary survey, quite positively open-ended and non-definite, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections; which, if it seeks to do anything, places what has come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressionism of such artists as Clemente, Chia, Salle, Kiefer, Immendorff, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith — an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist, the sharp, bright Fauve colour of his early years modifying in range and tone to darker, quieter effect. Ends late Oct.

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings — among them the Young Beggar — from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24. Louvre, Pavillon de Flore (260 3926).

Musée Marmottan, 2 rue Louis-Boilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression — Sunrise," which gave the name to the whole movement. Closed Mon.

Cycladic Art from the N. and D. Goulandris Collection — more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning — definitely — to Athens. Grand Palais (Oct 5 to Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 5410).

Turner (1775–1851) — the exhibition traces the creative development of the artist who, although steeped in the great landscape-painters' tradition of the 18th century, becomes — through his fascination with the effects of light — one of the forerunners of abstract art. Grand Palais (Oct 15–Jan 16). Closed Tue (261 5410).

Liège Modern Art Museum has lent its collection of choic items — one of Monet's first paintings and one of Gauguin's last. Also a surprising. Blue-period Picasso — to the Centre de la Communauté Française de Belgique. (Tel: 2712616), 11am–6pm, closed Mon, Ends Jan 8.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition in nearly a century. Ends Nov 27.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

Hirshhorn Museum: Direct Carving in Modern Sculpture is a cleverly assembled show from the museum's own collection of works by Brancusi, Gauguin, Hepworth, Moore, and Noguchi, among others, showing the taille direct technique as revived in the late nineteenth century and used even today. Ends Nov 27.

CHICAGO

Museum of Contemporary Art: More than 100 works of the provocative, if not outrageous, sculptress Louise Bourgeois comprise the first major retrospective of her work, going back to the 1940s. The sexual and Women's Lib themes of recent times gained the artist a notoriety, here put in perspective. Ends Oct 30.

BRUSSELS

James Ensor: Koninklijk Museum, Antwerp. Ends Oct 30.

British Potters, David Leach, David Lloyd-Jones and John Maltby. Galerie le Main. Ends Oct 22.

Ann Boyden paintings and drawings. British Council. Ends Oct 28.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Berlin, Akademie der Künste, 10 Hanseatenweg: Suprematism, Russian style, is documented here with roughly 500 original designs. Manifestos, photos and paintings from between 1900 and 1917 by the painter Kasimir Malevith. The poet Alexander Krutsbenych and the composer Mikhail Matyushin. Ends October 9. Also at the Akademie der Künste: a show of the work of Julio Gonzáles (1876–1942), the Spanish sculptor, with 250 exhibits, among them pictures never shown before. Ends October 23.

Bottrop, Josef Albers Museum, 20 Im Stadtgarten: oil paintings, drawings and graphics by artists from the Brücke School of painting — among them Ernst Ludwig Kirchner, Max Pechstein and Erich Heckel. Ends October 16.

Düsseldorf, Tonhalle, 1 Ehrenhof: "New Glass in German" has 280 colourful decorated glasses, vases, bowls and pictures by 59 contemporary artists. Ends November 6.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture "The King of the Mountain" as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

Krefeld, Kaiser Wilhelm Museum, 35 Karlsplatz 35: A sequence of etchings depicting and warning of the horrors of war dating from 1924 by Otto Dix, one of the German artists banned by the Nazi regime who are now belatedly coming into their own. Ends October 30.

Berlin, Nationalgalerie, 50 Potsdamer Straße: "New West German painting" shows up today's artistic trends through 139 pictures by 35 artists selected for this purpose with the help of a competition. All works date from 1980. Ends Oct 30.

Krefeld, Haus Esters, 97 Wilhelmshofallee: 20 large-sized American quilts from between 1880 and 1940, showing mostly geometrical patterns. Ends Oct 23.

Nuremberg, Kunsthalle, 32 Lorenzer Straße 32: a survey of the contemporary arts scene in East Germany documented by more than 200 works by 13 artists. Ends Nov 15.

Berlin, Schloss Charlottenburg, Große Orangerie: 300 paintings and drawings created since 1966 by Achim Freyer, the Berlin stage designer. Ends Oct 30.

Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: More than 200 drawings by Jonathan Borofsky, the American artist, who has become known for his work shown at the last Kassel documenta, the great West German art exhibition. The pieces shown in Bonn date from the last 23 years. Ends Oct 30.

Essen, Museum Folkwang, 41 Goethestrasse: paintings, drawings, water colours and graphics chiefly from the early periods of Erich Heckel (1883 to 1970), the German expressionist painter. Ends Nov 20.

Munich, Lenbachhaus, 33 Luisenstrasse: 'Aktuell '83' offers a view of a sizeable part of today's European arts scene through 165 works (mainly paintings, sculptures, video and films) by 44 artists from Milan, Munich, Vienna and Zurich. Ends Nov 20.

ITALY

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

Turner opens in Paris

The largest exhibition of Turner paintings ever mounted outside Britain opens in Paris today as the major autumn exhibition at the Grand Palais.

It is expected to be a considerable popular success as over the last ten years the French have been showing increasing enthusiasm for both Turner's works and more generally for British painting of the 18th and 19th centuries. A smaller exhibition on Turner in France put on a couple of years ago at the Cultural Centre of the Marais in Paris was also a success.

Over 250 works are on display with 40 of the 79 oils being lent by the Tate Gallery. It is expected to be the last time that the Tate will make such a major loan before the Turner collection is housed permanently in the new Clore Gallery which opens in 1985.

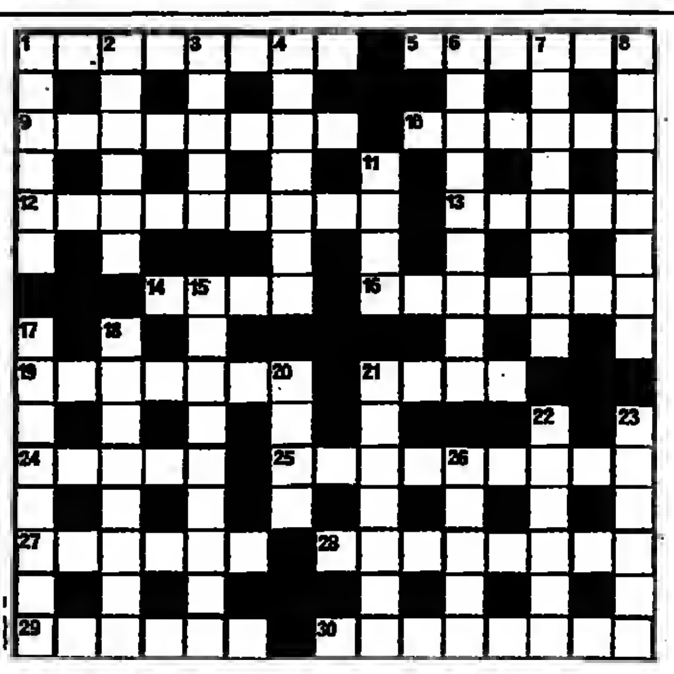
The growing French interest in Britsh Painting dates from the exhibition of British Romantics organised by the British Council in the early 1970's. Since then there have been exhibitions of Gainsborough and Constable, and there are plans for future exhibitions of Reynolds, Stubbs and Joseph Wright of Derby.

The Grand Palais exhibition includes the first public showing of Turner's recently restored The Field of Waterloo.

The exhibition has been jointly organised by the British Council and the Reunion des Musees Nationaux and will open to the public from October 15 until January 16. A parallel exhibition of Turner watercolours is being put on in Bordeaux from where it will move to Calais.

DAVID HOUSEGO

F.T. CROSSWORD PUZZLE No. 5,242



ACROSS

1 It moves slowly to get up to the centre (8)
5 Possibly border on a criminal act (6)
9 Pays heed to details (8)
10 Sees the key goes to the agents (6)
12 Part of the plans for promotion (9)
13 Athlete suffers reverse in the preliminaries (5)
14 Eager to go back after a key (4)
16 It may go up—everybody's in favour (7)
19 Dope and sex orgy gets uncovered (7)
21 What must be paid for the company to get a good man (4)
24 Newly-wed given key to chamber? (5)
25 Proposes someone from Minnesota (9)
27 Score is two love (6)
28 Where motorists go to practise skids? (4-4)
29 A person's character aunt is upset about (6)
30 They make the least and the most effort on the track (8)

DOWN

1 Revolutionary artist? (6)
2 It's reddish-brown but not orange (8)
3 Notable work over a period (5)
4 Declining music for a song (7)
6 Sees lambs going round in flocks together (9)
7 Textile manufacturer's bequest to his son? (8)
8 I'm getting up to run! Must be an error (8)
11 Not a pointed rebuff (4)
15 Most agree it could be an eyesore (9)
17 Increase the number in a layer (8)
18 Con-man? (8)
20 Beaten hollow (4)
21 Didn't go much on Arthur's place! (7)
22 Had a picnic? (3,3)
23 Sadie's upset by such remarks (6)
26 Penal reform in an Asian kingdom (5)

Solution to Puzzle No. 5,241

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Friday October 14 1983

Mr Botha's referendum

WHITE South Africans, as they debate whether to vote on November 2 in favour of a new constitution which departs fundamentally from the one they inherited from the 1910 Act of Union, have been told by their Government that they are being asked to endorse the continuation of the "reform" process. This they understand to mean the adequate transformation of apartheid so as to escape the racial confrontation on which their country has appeared to be determined for so many years.

One of the changes proposed in the new constitution is that the 4.5m Whites admit the two other minority groups, the 2.5m mixed-blood Coloureds and the 0.8m Indians, into a Parliamentary system of three chambers. On the face of it, this appears to be a laudable and sensible move, a "step in the right direction," as many white South Africans are saying.

Unfortunately, on fuller examination this looks like being an insufficient interpretation of the South African Government's intention. The 20m black majority is in no doubt of this and, through the vociferous opposition of men like the Zulu leader, Chief Gatsha Buthelezi, is proclaiming its rejection of the new constitution. The black rejection is near-unanimous and the reasons—echoed as they are by the official White opposition, the Progressive Federal Party, and men like Anglo American's Harry Oppenheimer—deserve to be understood and accepted.

The new constitution is complex, unwieldy, and possibly unworkable, but certain basics can be extracted. The parliamentary system is to be extended so as to give representation in different chambers to Whites, Coloureds and Indians on a proportion of 4:2:1. The President will become executive, with considerable powers, some of them beyond the contradiction of the law courts: he will be chosen in effect by the caucus of the leading White party.

Essence

Meanwhile the Blacks are assured that they should hope for no role in this system. They are to seek their political fulfilment in the well-known apartheid structure of ethnically separate tribal homelands: as these homelands come to "independence," so all the Blacks will eventually lose their South African citizenship, though of course they will continue to be indispensable to the South African economy.

This is the essence of the Pretoria Government's proposition for a new, peaceful, rich and secure South Africa. The absurdity of seeking to deny the Black majority a role in their own country must seem obvious to any outside observer, but it is only proper to acknowledge that even "reformist" Whites have been placed in a dilemma.

Dilemma

Two parties are calling for a "No" vote, the centrist PFP and the right-wing Conservative Party, which broke from the ruling party last year because it was fearful of "healthy power-sharing" (which it saw as a contradiction in terms). The Government has been making much of the claim that a "No" vote is a vote for the Conservatives and against reform.

This is a dilemma which should be left to South Africans to solve. It seems evident—to the outside view—that a political system which denies the wishes of the great majority, even while tardily redressing an injustice to some others, can hardly be the way to a healthy future. If such a conclusion brings unsympathetic allies at the polling station, then so be it . . .

The intense debate inside the republic has developed to the point where the attitude of the international business community is being adduced, on both sides. Various advocates of the "Yes" vote say businessmen will take fright if the new "reformist" constitution is turned down. On the other hand, Chief Buthelezi warns that a "Yes" vote will antagonise all moderate Blacks, like himself. Mr Oppenheimer argues that is too high a price to pay.

The intensity of the domestic debate may have confused perceptions. The commitment to "reform" by the present Government evidently deserves to be supported. That does not mean that that Government should be allowed to believe that a constitutional proposal so utterly bereft of any new concept of a role inside the republic for its 20m Black citizens deserves serious consideration, or respect, from the international (and business) community. Perhaps Mr P. W. Botha, the Prime Minister, may be congratulated on his recognition of the need to change his country. But he needs to start again, from that point, and to address the basic issues.

Dialogue with the unions

MR NORMAN TEBBIT, the Employment Secretary, wowed the Tories in Blackpool yesterday. He achieved a two minute standing ovation and two curtain calls—better by an order of two or three, say keen clapometer readers, than Mr Michael Heseltine on Wednesday.

His speech during the debate on industrial relations was hardly inflammatory. He described, none too precisely, the shape of his forthcoming legislation on trade union democracy. He made several jokes at the expense of union leaders—he is always very careful never to make jokes about union members—and he indulged in a favourite trick of quoting them against themselves.

But the speech itself contained little red meat for the Tory right, and the bill will be more permissive than many in unions thought, or feared.

Strike ballots

Ballots for union executives will take account of unions' existing arrangements for the representation of groups such as women and special trade sections. Strike ballots can be arranged as unions wish so long as they cover all members. Political funds will be subject to a ten-yearly ballot, but the manner of paying the individual political levy will be the subject of negotiation. Mr Tebbit said twice that his bill would be flexible, and clearly that intention is more than rhetorical.

As he made plain to a gathering of Conservative trade unionists after his speech, Mr Tebbit no longer wishes to be seen as the destroyer of the unions, but as their regenerator: "apolitical trade unionism" not "no trade unionism," is his goal. It is a very different emphasis from the one he gave in his first term as employment secretary.

Further, he is evidently anxious to keep going the reopened dialogue between himself and the TUC. He has made changes to accommodate some of its objections, and has signalled that more modifications could be made in the committee stage of the legislation. In doing so, he hopes to win from the unions at least a measure of tacit consent for the programme as a whole.

The effect of the reforms is likely to be mildly positive. Union executives elected by ballot need turn out to be neither right nor left wing. The executive of the Civil and Public Servants Association, for example, which is elected by work place ballot, has veered wildly between the extremes of both. It also means the executive has to keep a closer watch than otherwise on members' feelings. Further, strike ballots are often won by union leaders who wish to hold a strike — but in such cases, both union and employers will know that there are some real grievances among the workforce and can act accordingly.

The issue of political funds is — as many submissions to Mr Tebbit in past years have stressed — a different matter. Like it or not, the Labour Party is almost wholly dependent on union funding and could be crippled by their diminution.

In all, however, Mr Tebbit's reforms would appear to have wide and continuing support. Polls show broad assent to them, from trade unionists as much as anyone else. The mineworkers already have ballot democracy of roughly the kind Mr Tebbit will propose, and have used it twice during the past year to defeat with large majorities the calls for action from their president — whom they earlier elected with an even larger majority.

New consensus

The suggestion that ballots will cause disruptions in either unions or industry does not appear to carry much weight, while the argument for wider democracy seems unexceptionable.

Mr Tebbit has been seen as an unlikely figure to achieve a new consensus on industrial relations — although he announced his intention of doing so as early as last Christmas. Now he is looking for more agreement and for a larger stake in the centre ground than before. This development, like his Bill, is to be welcomed.

POLITICS TODAY AT BLACKPOOL

A happy birthday, after all

By Malcolm Rutherford

Blackpool faces: Mr Norman Fowler (left), "a model performance;" Mrs Thatcher (centre); and Mr Nigel Lawson (right), "patronised the conference"

Ashley Ashwood

MRS THATCHER had a happy birthday after all. If the Tory party conference in Blackpool this week had ended on Wednesday, it would have been at best an embarrassment, better forgotten. And if events yesterday had gone as they might have done, it would have been a disaster.

As it was, the conference was redeemed. Mr Norman Fowler, the Secretary of State for Social Services, effectively defended his approach to the Health Service. Mr Norman Tebbit did his star turn as Employment Secretary. The debate on immigration ended in a resounding defeat for those who want repatriation. And Mr Cecil Parkinson, the errant Trade and Industry Secretary, was welcomed back like a prodigal son.

Only Mr Tebbit's performance could have been safely predicted in advance.

The Blackpool conference was always bound to be difficult in that it is doubtful even now whether the Tory party has fully comprehended the size of its majority in Parliament and it remains unsure what to do with its election victory. The conference became totally overshadowed, however, by the Parkinson affair—a bolt from the blue, if ever there was one.

Of course, the party did its duty by standing by him whenever his name was mentioned. But the interesting point was the genuine puzzle about what to think about it. How do you react to such an affair in 1983? There was a widespread feeling that times had changed and that you cannot automatically apply the old rules of resignation, disgrace and withdrawal from public life. In this sense, the Tories have accepted, not wholly unwillingly, that we live in a permissive society, where there are no easy distinctions between black and white.

> **The Tories are gullible about the latest news headlines**

Time and again, it came back to the comment: "We don't know the full story, so it would be wrong to reach a final conclusion." That seemed to me a considerable advance in Tory thinking.

The one point on which Mr Parkinson was felt to be most vulnerable was in the public statement that financial provision was being made for the mother and child. That smacked of the master-maid relationship and of one law for the rich and another for the poor. Many Tories were acutely embarrassed by it. Yet that reaction again was to the Tories' credit.

My own conclusion, for what it is worth, is that he should have gone. He is now in danger of being a lame duck minister and the leak of the story that he would have been Foreign Secretary had it not been for the affair is unappealing, whether it is true or not. Certainly Mr Parkinson had told some of his friends that that was the case, but the idea of his leading the Foreign Office over the far better established claim of Sir Geoffrey Howe strains credulity and does not cast the best possible light on Mrs Thatcher.

Mr Parkinson will go down as the man most responsible for persuading the Prime Minister to go to the country early and thereby securing a remarkable victory. The price was a not very detailed manifesto. Time will tell whether that was wise.

But apart from that, how did you enjoy the conference? It was better towards the end than at the start. Here are a few reflections.

The Tories are frightfully gullible to the latest news headlines. Two weeks ago the word was that they would be concentrating their fire on Dr David Owen, the Social Democrats and the Alliance. Then came the news from Brighton that Labour had held a relatively harmonious conference. The fire was switched to Mr Neil Kinnock the new Labour leader—not on the whole very effectively. You need to do a bit better than just shout "windbag." Still, it was a sign that the Tories had taken on board the possibility that there might just be a Labour recovery.

When there were barbs at Dr Owen, they told you more about the Tories than about the SDP. "Don't let anyone else steal our clothes," warned Mr John Gummer, the new party chairman, in a clear reference to Dr Owen's adoption of the social market economy. Mr Michael Heseltine, the Defence Secretary, said that Dr Owen had a policy, but no party. Yet it was striking that he did not attack the policy.

The conclusion here is that the Tories are probably more worried about the Alliance than they let on, but they are also worried about a resurgent Labour Party. Despite their election victory, they do not exactly exude confidence.

The divisions in the Tory Party, while still apparent, are rather different from the recent past. They are no longer between wets and drys, but between drys and moderates. Tory paternalism is out and indeed when Mr Peter Walker, the Energy Secretary, talks about the need to preserve "one nation" he has begun to sound slightly dated, sticking to old language without recognising that the ground has changed.

> **The divisions in the party are no longer between wets and drys but between drys and moderates**

Mr Heseltine has the same difficulty at the Defence Department as his one time predecessor, Mr Francis Pym. It is one thing to lay claim to being a liberal Tory, but you run into problems with the Treasury if you try to stick to all the old defence commitments with their escalating costs. Mr Heseltine would be much more convincing as a liberal if he were prepared to abandon Trident.

You could construct an impressive-sounding alternative Cabinet composed entirely of people who have either been sacked by or resigned under Mrs Thatcher—Lord Carrington, Mr Norman St John-Stevas, Sir Ian Gilmour, Mr Pym et al, and even throw in the odd dry casualty as well, such as Mr David Howell. But the point is in the contrast with the present Cabinet, which actually has power. Many of them are Mrs Thatcher's people, still bemused perhaps to be in such high positions while relatively young, but clearly not bent on throwing it all away.

The divisions that matter are between those who want radical reform and those who are more inclined to take events as they come. Mr John Biffen, the leader of the House of Commons, and author of that early Thatcherite phrase — "Three years of unparalleled austerity" —is developing more and more into a traditional conservative: opposed to any unnecessary change.

Mr Nigel Lawson, the Chancellor of the Exchequer, is an example of someone who wants to move faster, though he will have to learn to treat the Tory grass roots with more respect for their intelligence if he is again to become a conference hero. It is worth contrasting his speech on Wednesday to that of Mr Fowler yesterday.

Mr Fowler produced a model performance. He explained the Government's Health Service policy to an audience that had had great doubts about it. He gave facts and figures—such as the £280m a year spent on energy—that the representatives could take home to their constituencies.

He succeeded in quoting Aneurin Bevan in his favour and, above all, he did not talk down. If only Mr Lawson had spoken like that about the economy! Instead he patronised the conference and the conference will not readily forget it.

Yet is Mr Fowler a wet or a dry? It seems to me that he falls into a new category of Ministers: moderate, while realistic. He accepts that resources are limited, but seeks to do the best he can to preserve and improve the welfare state within those constraints.

That is the great achievement of Mrs Thatcher's party; it has drawn attention to the finite nature of resources. You can see the effects all the way down the line. Even the Tory Reform Group, now the party's most liberal outpost, appeared divided this week on how far it should simply uphold the value of the old paternalism. For many of its members it was far more a matter of making the best practical use of the resources available.

The effects go beyond the Tory Party. One of the reasons why Dr Owen shifted his ground on economic policy was a recognition of what the Tories have achieved so far, however imperfectly. And there were the first indications from Brighton last week that even parts of the Labour Party are beginning to move in the same direction.

If that analysis is correct the old wet and dry argument can be forgotten. No one in the Cabinet will argue any more for extensive reflation. Instead the argument will be about the margins. Can you give just a little bit more to the Health Service, and less to defence, or vice-versa? Should there be a little bit more on the borrowing requirement or an adjustment in taxation? It becomes an argument about how best to manage resources while the broad contours of policy are agreed.

The answers will still not be easy but the debate will have settled down to one between the radicals and the pragmatists. Apart from Mr Biffen and Mr Fowler, the latter seem to include Sir Geoffrey Howe, Mr Leon Brittan, the Home Secretary and Mr Tebbit.

Mr Brittan managed to toughen the approach to violent criminals and push through penal reform. Mr Tebbit, for his part, no longer seems merely hostile to the trade unions. He has begun a process of changing them and can afford to be magnanimous. The signs are that he will be.

None of that need be a recipe for bad government. As Mr Biffen would put it: "Perhaps it is time to consolidate the gains that have been made so far."

Apart from immigration, the most interesting conference debate was about electoral reform. A motion in favour of continuing the present voting system and opposing proportional representation was almost overwhelmingly carried. Mr Biffen made an utterly conservative speech supporting it. But you could see the doubts developing as the debate went on and the arguments were deployed. The conference will undoubtedly come back to it another time, as indeed will we all.

> **A new category of minister: moderate but at the same time realistic**

So I end with a modest proposal. It is not proportionality that matters so much. It is that the voting system should be fair and should be seen to be fair. The result of the 1983 election was not obviously fair, as the disproportion between the percentage of votes cast and the number of seats won makes clear.

The way to overcome that is to move to the French system of first past the second post. If a candidate wins 50 per cent or more of the vote in the first ballot, that's it. If not, there's a run on between the two leading contenders.

It is remarkable how many politicians, Conservative and Labour, who oppose PR have nothing to say against that, except that the British wouldn't vote two weeks running.

Men & Matters

LSE's banker

"It seems that having been turned down by one central banker, we've settled for another," said a governor of London School of Economics which yesterday appointed Dr Indraprasal Patel as its next director.

Patel, who will succeed Professor Ralf Dahrendorf when he returns to Germany next summer after a 10-year stint at the school, was governor of the Reserve Bank of India between 1977 and 1982. But the Indian economist evidently only came into the running after the post was declined by Kit McMahon, deputy governor of the Bank of England, who since being passed over for the top job in favour of Robin Leigh-Pemberton has been tipped to become the next secretary-general of the Organisation for Economic Co-operation and Development.

The choice of Patel by a small selection committee caused surprise among the LSE's population, old and young alike. "We weren't told anything about him. We're not very happy," said the students' union —less militant now than it was at the time of Professor Dahrendorf's accession.

There was "astonishment" at a more senior level that, although numerous leading citizens of India are former students of the school, its top administrative post should go to one who seems to have no previous connection with it. Patel studied at Bombay University, Cambridge and Harvard.

He is four-and-a-half years older than his predecessor and will be almost 60 when he takes up the job next autumn. Nor has he much experience in academia. He spent a year, from the age of 25, as Professor of Economics at the then newly founded Maharaja Sayajirao University at Baroda and was a visiting professor at Delhi University in 1964.

Apart from those two years and his five at the Reserve Bank, he has spent the rest of his career at the Indian Finance Ministry, with the International Monetary Fund and with the United Nations Development Programme. Since last year, he has been director of the Indian Institute of Management.

Where Patel's background could come in handy, however, is in building on LSE's success over the past two years in increasing its income by expanding its intake of students from overseas. As one senior member put it: "Becoming more and more the College of the Underdeveloped World is an attractive prospect if it makes you less and less dependent on Keith Joseph."

Crossed lines

The process of breaking up Ma Bell, the U.S. telephone giant American Telephone & Telegraph, is clearly not without its little local difficulties.

U.S. West, one of the seven new regional holding companies which will start operating on January 1, recently received from AT & T no less than 9,000 pages of contracts on the divestiture. And, U.S. West's president Jack MacAllister told London analysts this week: "We started out by disagreeing with 8,764 of them."

So British Telecom thinks it has problems.

Making rooms

Bill Grau, executive vice-president of Ramada Hotels' interests throughout the world outside the United States, tells me his group is backing a £100m hotels expansion in Britain during the next five years.

Ramada has just spent £11m on a prestige hotel in Reading designed for visitors to southern England's new "silicon valley" ranging between London and Bristol.

Clearly the international hotels industry sees an opportunity in Europe. Within the last month Gerry Morin, president of Sheraton's European and Eastern division has told me of his plans to develop 64 new hotels in his area by 1988, and Stephen Sonnabend—one of three brothers controlling the prestige Sonesta hotels group—has confessed over lunch his need to buy a luxury hotel in central London, and another in Paris.

"I just love your thatched cottages, your green fields—your ICI shares"

Grau, German-born and now based at Ramada's base in Phoenix, Arizona, is no less ambitious than his rivals. He wants to double the size of his international division by adding some 45 new hotels in five years.

He will tackle that expansion programme in ways best suited to the particular areas where he wants to develop. But he has already settled upon a strategy for Britain.

Ramada is in the final stages of setting up a joint venture company in which it will hold one-third of the equity. Its two partners will be a development company, and an institutional investor. The group will start building two or three big new hotels in Britain next year and at least one a year thereafter. I am confident that high on its priorities will be new hotels of four or five star class in Manchester and Edinburgh. Ramada would also like to acquire an existing hotel in London and refurbish it.

Party choice

John Spiller, who has managed some of the Liberal Party's most famous by-election campaigns—Cyril Smith's in Rochdale and Alan Beith's in Berwick upon Tweed, to mention just a couple—takes over tomorrow as head of the party organisation.

His appointment, at the of 40, as the Liberals' secretary-general will be welcomed among the rank-and-file who only a few weeks ago at the Harrogate Assembly were calling for a greater campaigning thrust.

Spiller sees his first task as shaping the organisation to that end. A veteran of a score of election contests, mostly fought on shoestring budgets, his sympathies clearly lie with the party's activists on the doorsteps. He is expected to put more of the Liberals' limited resources into the constituencies and regions.

Spiller's first taste of politics came as a schoolboy, helping in Mark Bonham-Carter's victory in the Torrington by-election in 1958.

He later became Bonham-Carter's agent for three years, then served John Pardoe, Cyril Smith and Alan Beith in the same capacity, being seconded as campaign manager from time to time in other by-election fights, such as Sutton and Cheam.

Since 1973, he has been given a roving commission to improve the party organisation in winnable marginal seats.

A native Devonian, Spiller will now be based in London but intends to keep his home in the South-West—still the heartland of the party.

Observer

KENYA AFTER THE ELECTIONS

A test of political will

By Michael Holman, recently in Nairobi

WHEN KENYA'S President Daniel arap Moi was sworn in for a third term of office this week, he pulled no punches. Instead of the traditional inauguration speech of self-congratulation, he read what amounted to the riot act to his Ministers, government officials and the population in general.

Kenya could no longer afford to live beyond its means, he said, nor to borrow more than it could repay. He stressed the paramount importance of efficiency in the government machine, and insisted that he would not hesitate to close down or sell off any operations that were not economically justifiable.

His tough message brought to the fore the fundamental economic challenge in Kenya which last month's general election signally failed to air.

Instead, the election was about parish pump concerns and personal rivalries. For President Moi, who called the poll to "cleanse the system of corruption" and to remove disloyal politicians, the outcome must have been a disappointment. The voting was marked by the lowest electoral turnout for years, and produced much the same mixed bag of MPs within the confines of the Kenyan African National Union (Kanu), the sole legal party.

It was a result well short of an assertion of Presidential authority, or indeed of a mandate for reform. Yet both of those are needed to return the country to the stability and prosperity which made it one of the West's closest allies in Africa, and a state once regarded as a model of economic and political development for the continent.

The challenge now facing President Moi is twofold. He still has to contain the apparent political dissent both within the ranks of his party, and outside it, which resulted most dramatically in the abortive coup attempt of August, 1982. He must also tackle the inefficiencies and weak management of the government bureaucracy, compounded by corruption, which have undermined the very real efforts being made to cope with Kenya's economic crisis.

On the bottom line of any appraisal of Kenya's economic and political prospects lie two statistics. The first is the population growth rate of 4 per cent which on present trends sees the country's 18m people double by the end of the century.

This steady rise means new strain on social services, and more severe unemployment (between 200,000 and 300,000 young people enter the job market each year). This is all the more serious because of the second statistic: that less than 20 per cent of the country is good to average agricultural land. The remainder is arid or semi-arid, whose potential can only be realised by expensive irrigation schemes.

Kenya has no known mineral resources of any substance, and there is only room for limited expansion of two of its key exports, coffee and tea, which accounted for 40 per cent of foreign exchange earnings last year. Both are vulnerable to fluctuations in world prices over which Kenya has no control.

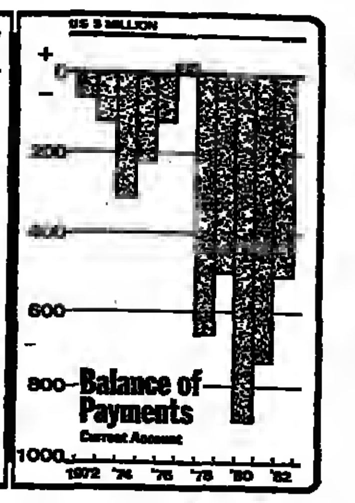
In the first decade after independence in 1963, however, when growth ran at an average 7 per cent a year, the strains were not apparent.

Import substitution industries flourished, the East African Community of Kenya, Uganda and Tanzania provided a growing market, and the mood of foreign investors, many of whom treated Nairobi as a regional base, was buoyant.

But in the subsequent decade the picture has changed dramatically. All the regional economies are in trouble, the community collapsed in 1977 and Tanzania closed its border with Kenya. Local industry, shielded by tariff barriers, is now inefficient, producing often overpriced, mixed quality goods which are not competitive either in Africa or abroad.

The manifestations of that decline—growing unemployment, falling living standards and increasing strains on the social services in urban areas—provided the backdrop to the abortive coup attempt of August 1982, which suddenly focused international attention on the country's problems.

"It shook outsiders into a reappraisal. Kenya was knocked off its pedestal," says one resident foreign businessman. "And I cannot convince my head office that recovery is in sight, because I have yet to convince myself."



Bob Hutchison

The shock caused by the coup was compounded by the furore last May, when Mr Moi accused an unnamed foreign power of grooming "a certain person" to take over from him. In the witchhunt that followed, Mr Charles Njonjo, the powerful Minister of Constitutional Affairs and former Attorney-General (effectively one of the ruling triumvirate with Mr Moi and Mr Mwai Kibaki, the Vice-President), was eventually alleged to be the "traitor." Mr Njonjo, who categorically denied the claims, was forced to resign his Cabinet office and Kanu party membership, pending the outcome of a judicial inquiry.

Mr Njonjo may be down, but he is not entirely out. In the election, the candidate he discreetly favoured in his old constituency romped home, as did a Minister who stood up for him. Being out of favour with President Moi did not cost Mr Arthur Magugu, the former Finance Minister, his seat, while a presidential favourite and assistant Minister, Mr John Keen, was trounced.

However, the President has moved against Njonjo supporters in his new Cabinet: most have been either demoted or purged.

Overall, the election did not unseat as many incumbent MPs and Ministers as the President may have hoped. Nearly 40 per cent did lose their seats, including five Ministers, down from the usual 50 per cent turnover. But the influx of new faces seems to have brought little obvious fresh talent: Mr Moi had to look outside the ranks of elected MPs for his new Finance Minister, Mr George Saitoti, chairman of the Kenya Commercial Bank, whom he nominated to Parliament.

There is a danger that a characteristic of the past will again take hold: a jockeying for power between and within the main tribes (Kikuyu, Luo, Luhya and Kamba, with the President's own Kalenjin group continuing its climb to the top).

In a gesture of goodwill, President Moi this week ordered the release from house arrest of Mr Oginga Odinga, the veteran Luo leader and released two political detainees. Another 12 remain in detention.

President Moi can ill afford to be distracted from the task of economic stabilisation and recovery by the continuing dissension within Kanu. The indications are that he can, nevertheless rely on the senior ranks in the army to remain loyal, as they did at the time of the attempted coup, although he is now deeply in their debt.

The coup gave a severe jolt to investors and aid donors alike; it also shook the Government, giving impetus to far-reaching appraisals that were already under way. Barely an institution or policy has escaped scrutiny (albeit with some prodding from the World Bank and the International Monetary Fund): agricultural pricing, the exchange rate, import licensing and foreign investment terms, the organisation of the civil service and the state-owned corporations (parastatals) have all come under the microscope.

That re-appraisal owes much to the memorable report on Government expenditure published in 1982 by the Ndegwa Commission. It set out a long list of domestic shortcomings: a growing civil service whose management abilities have declined; the discouraging red tape faced by the private sector; heavy domestic and foreign borrowing by the Government which limited expansion of the private sector; many poorly planned projects often inspired by political consideration; and inefficient parastatals whose management sometimes owed its place to political patronage rather than ability.

Since that report was published, some progress has been made. Its author, Mr Philip Ndegwa, was appointed governor of the Central Bank, in a move which was widely welcomed. Kenya has so far comfortably met the targets set under the SDR 176m (£126m) IMF programme negotiated in March, and officials are determined that they will complete the programme. (The past four have ended in suspension.)

Reserves, down to a six-year low of Kenya Shillings 1.7bn (£83m) at the end of 1982 have recovered to over KSh 4bn, a reasonable three-month import cover.

The new system of import licensing (essential items ere given priority and virtually automatic clearance) is working well. Remittance of profits and dividends is complete to mid-1982 and second half remittances are due to come through shortly.

The second tranche of a US$130m structural adjustment loan from the World Bank has been held up for several months while Kenya battled to meet the terms. Most have now been met—export promotion measures, liberalising the import system, improving foreign exchange allocation, and energy conservation—while there is progress on the two outstanding issues: drawing up a revised public sector investment programme, and reviewing the pricing and marketing system for grains.

On the regional front, prospects are brighter than they have been for years. The gradual recovery of the Ugandan economy has seen Kenyan exports to this traditional market grow from KSh 37.7m in 1979 to KSh 58.6m last year.

Relations with Tanzania have taken a marked turn for the better, and a step-by-step re-opening of the border, beginning with tourist access and the re-opening of air links, is likely to get under way in the coming months.

But if the Government appears to have halted the slide and begun the process of adjustment, businessmen still have two serious reservations.

Says one: "I can see no engine of development that will pull the economy up. Tea and coffee prospects may be reasonable, but that's not enough for the sustained, substantial improvement that we need."

The second reservation concerns the Government's willingness to bite the bullet. The Ndegwa report is much admired by the private sector: "But it takes more than a report," said one leading Kenyan businessman. "One is not arguing about the principles, but I am worried about implementation. Is the political will there?"

In reply, senior Kenyan officials insist that the President, the election behind him, is determined to get to grips with the economic problems. The months ahead will tell, but the country's past record of frank assessments and poor performance is not encouraging.

Lombard

Business lessons from history

By John Plender

WHY IS it that history gets such a terrible press? The American writer Ambrose Bierce called it an account mostly false, of events mostly unimportant, which are brought about by rulers mostly knaves, and soldiers mostly fools. Henry Ford simply thought it bunk (quoted out of context, he claimed, as they all do). Aldous Huxley argued that men learned little from it; Hegel that they never learned anything from it.

Business history is tarred with the same brush. Yet there could be few better antidotes to this pervasive scepticism than the inaugural lecture delivered this week by Prof Leslie Hannah, director of the Business History Unit at the London School of Economics. Prof Hannah might not make such claims for it, but his fascinating address on entrepreneurs and the social sciences contains numerous lessons which Ministers would do well to ponder as they return from Blackpool.

The first is of relevance both to Mr Nigel Lawson, the Chancellor, and Mr Cecil Parkinson, the Secretary for Trade and Industry, in their tax-cutting and industry-subsidising moods. After reminding us that the rewards of managers in Japanese industry are even less closely related to performance than British ones, Prof Hannah produces the perfect example of how tinkering with the tax system can be counter-productive.

Gladstone introduced tax relief on insurance premiums in the 1850s to help entrepreneurs, the professions and the self-employed middle class generally; they were deemed to have precarious incomes and thus to be more in need of life assurance than civil servants and rentiers. More than a century later the relief has helped divert nearly two-thirds of personal savings into insurance companies and pension funds.

The resulting bias in the financial system has worked against precisely those small businessmen and entrepreneurs that the measure was supposed to help — indeed, pension fund investment in small business has, absurdly, come to be regarded by some as "social" investment. In Prof Hannah's view it will take more than the Government's cut in the standard rate of income tax or the Business Expansion Scheme to fire an entrepreneurial renaissance.

Then there is a homily for Mr Peter Walker, the Energy Secretary, as he watches the protracted debate over Sizewell. In Britain in the 1950s cautious engineers in the electricity supply industry worked on uneconomically small power station designs with high capital costs and low thermal efficiency. In the 1960s they over-reacted by concentrating on untried and technically demanding jumbo designs, which for some years were unusable and unreliable. Since the industry accounted for more than one-twelfth of British gross domestic capital formation, Prof Hannah is credible in his claim that the contrast with a more measured progression of engineering decisions in France helps explain the different performance of the British and French economies.

He also argues that Britain's extraordinary post-war capacity for making wrong decisions on the three-way choice between coal, oil and uranium helps explain the low growth rate. The politician will no doubt be tempted to conclude that it is highly dangerous to move too far out of line with the international pack on energy investment decisions. The more general lesson: treat the electricity industry's judgments on capital investment with caution.

Mrs Thatcher, meantime, might take note of the Professor's sharp judgment about the British capacity to turn business failures into folk heroes: the Ferrantis and Lakers are lauded or honoured while the more capable Ellermans languish in obscurity. Sir Freddie is, of course, a cut above one or two in the Wilson resignation honours — but an imperfect model for our times.

And Professor Hannah's own lesson from history? It takes not years but generations for social change to affect business performance. Thatcherite radicals be warned.

Letters to the Editor

An overview needed for employment policy

From Mr H. Scholes

Sir, — Mr Sydney Shenton (October 7) urges members of Parliament to press on the Government consideration and action on many practical economic alternatives aimed at recovery and expansion.

Similar pressure is needed on wider policies for employment, for general economic recovery will not of itself bring enough jobs to the areas where they are most needed; we must also tackle our regional and structural problems more effectively. Yet the Government apparently plans to issue its much-delayed conclusions on regional policy in a White Paper without any serious public discussion beforehand.

Parliamentary pressure will not be effective unless it is well-informed. The traditional approach is for a select committee to examine the problems in depth, taking evidence in public from experts and interested parties, and report to the House; subsequent debates can then concentrate on genuinely viable alternatives. At present, however, there is no House of Commons select committee able to look at employment policy in the round. The committee system is designed to scrutinise the activities of individual departments separately, but employment policy embraces a large number of departments — Treasury, Employment, Trade and Industry, Environment and others.

If Parliament is to fulfil its proper role in this field, new machinery is urgently needed to enable members to examine interrelated Government policies and proposals as a whole, and to evaluate possible alternatives to them.

Hubert Scholes.
5A, Lancaster Avenue, Farnham, Surrey.

The cost of EEC membership

From Madron Seligman, MEP

Sir,—In calculating the net cost of Britain's membership of the EEC, an important factor has been overlooked. It could appropriately be called "subtractability," in contrast to the well accepted concept of "additionality."

It is frequently the practice of HM Treasury to lump together the total allocation of money for certain budget areas. Third world aid, for instance, can be spent either through the EEC budget, through the World Bank, or directly to the ultimate beneficiary nation.

If the sum spent through the Community budget, or the World Bank, is increased, the sum available to be spent nationally is automatically reduced, because the total allocation is fixed.

From this it follows that expenditure through the Community is often a substitute for money which would otherwise have been spent in the British budget. Money contributed to the EEC budget for aid to the third world, therefore, does not increase Britain's total expenditure. Such sums, should not be included in the calculation of Britain's net contribution.

Where expenditure through the Community budget replaces direct national expenditure, it should be subtracted from the calculation of our net contribution to the EEC. In other words "subtractability."

Madron Seligman.
P.O. Box No. 4, Crawley, West Sussex

Conflicting advice

From Mr H. Masefield

Sir,—I have been very puzzled by the extraordinarily contradictory advice that I have received about what will happen to my income entitlement if I accept the Norcros offer for my UBM shares.

Norcros tells me (in a letter dated September 22) that by accepting the increased ordinary offer my annual income will amount to the equivalent of 11.5p gross per UBM share. UBM tells me (in a letter dated September 29) that acceptance will result in my annual income only amounting to the equivalent of 7.78p per UBM share. Norcros tells me that my income will increase; UBM tells me that it will fall.

Both letters, I suspect, were written by merchant bankers and fortunately I have a merchant bank to interpret what they are talking about. But many people cannot afford such luxuries and are therefore left hopelessly confused.

I do not think that muddled argument can ever help a case.

Henry Masefield.
57a Woodstock Grove, W12.

Hong Kong and citizenship

From Mr P. Fergusson

Sir,—In your leader (October 7) on Hong Kong residents, you said that "The 1982 Nationality Act has dispossessed them of the right to settle in Britain." In fact, for most Hong Kong residents, the British Nationality Act 1981 (which came into force on January 1, 1983) has no effect on the right to settle here. This right had been removed by previous Immigration Acts over 10 years ago. What the Act did was to replace the anomaly of Hong Kong born people being citizens of the UK and colonies without any right of entry into the UK with a new citizenship (that of the British dependent territories).

P. Fergusson.
Wayfarers, Greenhill Close, Godalming, Surrey.

Untaxed income

From Mr D. Pope

Sir,—As to the response by Ruth Culpan (October 5) to Eric Short's article of September 29, I feel sure that many readers were surprised to read somewhat uninformed comments being printed in your columns.

There are numbers of investment schemes available in the UK incurring tax charges as was suggested. Some expressing their tax liabilities far more clearly than others. Many of them are invested into from hard earned taxed income. Who in practice has the privilege of untaxed income excepting perhaps the poor and the tax evaders?

These investments I refer to are subject to tax on dividends and capital gains while invested in these particular schemes. There can be a further tax charge, perhaps only to higher rates of tax and the investment income surcharge on termination.

As to pension contributions, however, within certain limits the highest rate of personal tax is rebated. Furthermore, while in the pension fund, there is total freedom of tax as to capital gains and investment income; this being one of its principal advantages and a great encouragement to people to invest into a pension fund.

I could agree with Eric Short's hypothesis as to "top slicing" of any pension cash lump sum, particularly if the new pensioner had then substantially reduced his marginal rate of tax and preferably out of the higher rate bands!

What is of the greatest importance, however, is not so much the tax charged but the investment performance and ultimate return, particularly when creating a pension fund. This freedom of taxation as to pension funds, must be maintained so as to encourage contributions and furthermore, the cash lump sum must be protected from what would be regarded as a draconian measure if it were eventually taxed. Otherwise there will be the cost to the state in having to provide pensions to those many people who are not in company pension schemes.

David E. G. Pope.
Foxley's, The Petworth Road, Haslemere, Surrey.

Telephone charges

From Mr M. Elwes

Sir,—The warning (October 6) that British Telecom would have to increase tariffs on local calls, local rentals and services in rural areas because of competition from Mercury is deeply disturbing. It is outrageous to suggest that these services should be used to cross subsidise the provision of private circuits between major conurbations; OFTEL, when it becomes operational, will need to ensure that such a philosophy is rejected.

BT's reaction suggests that old attitudes still prevail. Surely the answer to BT's problems is to promote and develop this particular market with a view to making it self-sufficient and profitable—as Mercury intend to do.

Mark Elwes.
Telecommunications Users' Association,
34 Grand Avenue, N10.

Small business rates

From Mr I. Green

Sir, — The National Federation of Self-Employed and Small Businesses is quite right to seek to reduce the disproportionate burden of non-production-related costs on small businesses. Its suggestion, however (October 7) that the first £1,000 of non-domestic rates bills should be exempt from payment shows a lack of understanding of the relationship between rates and rent.

It has been demonstrated repeatedly that reduction in rates leads to rises in rent, the most obvious example currently being in the areas designated Enterprise Zones.

Most small firms do not own their premises, so obtain very little benefit from rates relief measures.

I. Green.
2, Park Court, Woodside, Wimbledon, SW19.

FINANCIAL TIMES

Friday October 14 1983

MISSILE DEMONSTRATION 'MORE PEACEFUL THAN EXPECTED'

W. Germans besiege U.S. army base

BY JAMES BUCHAN IN BONN

THOUSANDS OF West German demonstrators blockaded a U.S. army base and a nearby harbour in Bremerhaven yesterday in the opening act of a broad popular campaign against the deployment of U.S. medium-range nuclear missiles.

Police in the north German port city arrested 250 demonstrators blocking roads to the Carl-Shurz barracks and the harbour of Nordenham, an important delivery point for munitions for the U.S. forces in Germany. Those arrested were later released, and police said that the demonstration, which will continue until Saturday, had so far passed more peacefully than expected.

The police erected steel and barbed-wire fences to prevent the 3,000 demonstrators advancing on the barracks.

In Bonn yesterday, spokesmen for the coalition of anti-deployment groups known as the "peace movement" said they expected to mobilise 3m people in a campaign of rallies, blockades and civil disobedience over the next 10 days.

The chief targets of the actions are U.S. military installations, including the sites where Pershing 2 missiles are expected to be deployed in December, government ministries in Bonn, and embassies.

In a marked increase in the political tempo, the peace movement yesterday accused the Government of risking "a split in society and a crisis in democracy." The missile opponents and the opposition Social Democrats claim that a majority of the population is opposed to Pershing deployment.

The Government has continued to insist in public that there is still a chance for the U.S. and Soviet Union to reach agreement over medium-range missiles. Herr Peter Boenisch, the Government spokesman, warned people on Wednesday to stay off the streets and allow the negotiations to run their course.

Great attention is directed at meetings planned for the weekend in Vienna between Herr Hans-Dietrich Genscher, the West German Foreign Minister, and Mr Andrei Gromyko, his Soviet counterpart.

In the past week, Soviet officials have hinted that Moscow will break off the missile negotiations once the Western deployment begins, a suggestion Bonn has criticised as a "propaganda war of nerves". However, Herr Egon Bahr, a Social Democrat missiles specialist who returned from Moscow this week, said that he understood that the Soviet Union would "interrupt" the negotiations for an indefinite period. Herr Bahr, who announced for the first time yesterday that he would formally oppose deployment, said the Nato missiles would alter "the strategic situation" for the Soviet Union and the current medium-range missile negotiations would "lose their sense" for Moscow.

Leslie Colitt in West Berlin writes: Anti-missile demonstrators are preparing to stage the first sit-down blockade tomorrow of U.S. military installation in West Berlin. The West Berlin police, however, said that under an Allied regulation it would keep the demonstrators well away from the entrances to the U.S. army's Andrews barracks.

Organisers of the controversial blockade said 1,000 opponents of new U.S. missiles would peacefully blockade the barracks while 10,000 demonstrators would form a human chain around the installation.

They said the blockade was not aimed against the U.S. army's presence in West Berlin but against the deployment of U.S. missiles in West Germany. All the political parties in the Berlin legislature, except the Greens – the environmentalists' party – have condemned the blockade, together with the trade unions and the Protestant church in West Berlin, which have otherwise been sympathetic towards peace demonstrators.

Politicians split over Tanaka's future

By Charles Smith in Tokyo

JAPAN'S POLITICAL life was paralysed yesterday as the ruling Liberal Democratic Party and the opposition clashed on the question of whether Mr Kakuei Tanaka, the former Prime Minister, should be obliged to give up his seat in the Diet following his conviction in the Lockheed bribery affair.

An opposition proposal to present a bill demanding Mr Tanaka's resignation was discussed in the steering committee of the Lower House but rejected by the LDP majority on the committee. All other Diet business was at a halt except for discussions on emergency relief to the island of Miyakejima, where a volcanic eruption caused serious damage last week.

The steering committee is to meet again today to try to reach a decision on both the opposition proposal and the resumption of Diet business but continued deadlock appears likely. In the meantime, ominous signs of disagreement have begun to appear within the LDP itself over the handling of the Tanaka case.

The party leadership has taken the position that the former Prime Minister should not be forced out of politics at least until after the lengthy process of appeal against Wednesday's lower court verdict has been completed.

A number of individual party members, including some of the factions belonging to the "mainstream" group of the party which normally lends automatic support to Prime Minister Yasuhiro Nakasone, appear to disagree strongly with this position.

Anti-mainstream leaders, such as Mr Nakasone's former rival for the party leadership, Mr Toshio Komoto, also seems to feel that Mr Tanaka ought to go.

Tokyo market slides, Page 29

Sweden pushes ahead with plan to fund union share purchases

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

SWEDEN'S minority Social Democratic Government yesterday announced its definitive proposals for a scheme of wage-earner investment funds aimed at giving the trade unions a growing stake in the ownership of industry.

The scheme is bitterly opposed by Swedish business and the non-Socialist parties.

Several other countries, including West Germany, the Netherlands and Denmark, have previously considered similar plans but Sweden is likely to be the first to make such funds a reality.

The Social Democrats will depend on the Swedish Communist Party's support to push the legislation through parliament.

"The Government is declaring open war on a majority of the Swedish people with its wage-earner fund scheme," warned Mr Ulf Adelsohn, leader of the Conservatives, the biggest opposition party. "Two years of destructive fighting lie ahead of us."

The non-Socialist parties have promised to repeal the funds legislation if they are returned at the election in the autumn of 1985.

The Government's decision to push ahead with its plans after eight years of increasingly rancorous debate came only a week after the business community staged Sweden's biggest demonstration with a protest march on parliament.

The latest opinion polls show that only 18 per cent of Swedes are in favour of the funds, which have received their main support from blue-collar unions.

Under legislation being presented on November 10, the Government proposes to start five wage earner funds. The bill cannot become law before the end of the year, with the first funds starting operations next spring.

The five funds would be financed from an increase in the employers' payroll tax and by a new profit-sharing scheme, essentially a tax on companies' profits. The taxes would be levied on all companies, including the subsidiaries of foreign concerns. According to SAF, the Swedish Employers' Federation, "companies will be paying for their own socialisation."

Under the profit-sharing tax, companies would pay a 20 per cent levy on their "real profits," having taken account of inflation, above the sum of SKr 500,000 ($64,000) or 6 per cent of the wage bill.

The maximum amount available for the funds would be SKr 2bn a year – SKr 400m each – and the funds would be expected to aim for a real return of 3 per cent. The funds' earnings would be channelled into the national pension system.

The funds would invest their capital primarily in the shares of publicly quoted Swedish companies but they would also be able to invest in small and medium-sized private businesses.

Every fund would be able to purchase up to a maximum of 8 per cent of the voting capital of any single company. Together with the existing national pension fund, the wage-earner funds would collectively be limited to a shareholding of 50 per cent in any single company.

The wage-earner fund scheme would run for seven years to the end of 1990.

Rise in spot Brent oil price

BY RICHARD JOHNS IN LONDON

THE PRICE for Brent Blend, the North Sea reference crude, rose to its official selling rate of $30 per barrel on the spot market yesterday for the first time in just over a fortnight as a result of rising tension in the Gulf.

The buyer-seller range reported by traders was $30-$30.15 compared with $29.60-$29.90 on Wednesday. Arabian Light, the Organisation of Petroleum Exporting Countries' bench-mark crude oil, also recorded a significant increase in an active market.

The sudden appearance of more buyers on the market followed Iraqi threats to deploy Exocet missiles borne by Super Etendard aircraft supplied or shortly to be delivered by France, against Iran, which in turn has warned that it would retaliate by closing the Strait of Hormuz.

Yesterday's transactions may have added as much as 30 cents per barrel across the board to average crude oil prices. But many of the purchases appear to have been speculative or between traders.

Oil companies stressed that the underlying market remained weak as a result of the build-up of stocks during the third quarter amounting to 1.3m barrels a day for the industrialised countries.

British Petroleum has been particularly in evidence in the market over the past few days having bought three or four cargoes of Brent Blend as well as Montrose crude oil from the North Sea and Libya's Brega variety.

These appear to have been routine transactions by the biggest trader, which now relies on the spot market for 50 per cent of its refining requirements, however.

Shipping underwriters continued to watch the situation closely but there has been no change in terms since the minimum period of cover for voyages within the Gulf to Sirri Island, Lavan Island and Bandar Abbas was reduced to seven days – putting them on the same basis as Kharg Island, the main oil terminal.

Rumours that an oil tanker had been sunk could not be substantiated. Charter rates have not increased this week

Renault seeks further state cash

By Kenneth Gooding in London

RENAULT has asked the French Government to provide FFr 1bn ($124m) towards its 1984 investment programme which will total nearly FFr 5bn, according to M Bernard Hanon, the group's president.

The Government has already provided the state-owned group with FFr 1bn towards its 1983 investment spending of FFr 9.5bn.

In all Renault will spend FFr 30bn during the three years to 1985 but does not expect to break even until that year, according to M Hanon. He points out, however, that Renault's car operations have to be "hugely profitable" to compensate for losses in the group's heavy truck, agricultural tractor and machine tool businesses, which are all suffering from a severe downturn in world demand.

And he stressed that, if the group as a whole was to reach break-even by 1985, margins of profit on car sales in Europe would have to return to more normal levels.

M Hanon suggested that the price war in Europe had made every car manufacturer only marginally profitable and the investment cycle is beginning to slow as a result.

"There is no such thing as a free lunch, neither for the manufacturers nor the consumers. We saw the results of the lack of investment in the U.S. when the whole market collapsed when customers were faced with products that were no longer appealing.

"They turned to the Japanese.

"Customers in Europe at the moment are happy to be getting good deals. But in the medium term there will be no new models to make deals on."

So far the French Government has not reacted to Renault's request for 1984 investment cash.

M Hanon insisted that Renault had not attempted to do a "cash-for-jobs" deal with the French Government – it has been suggested the group agreed to make no lay-offs for 1984 if the state money was forthcoming.

The two issues had been kept completely separate, he said. There will be no lay-offs by Renault's car operations in 1983 but whether this would continue next year would depend on the size of the European market and the success of the company's new models.

"If the market is at a low level we might have to consider laying people off because the new products need many fewer man hours to produce," said M Hanon.

The investment programme will enable Renault to introduce a major new model each year and re-equip one of its French facilities to make it. The company also intends to open up a new market somewhere in the world each year.

In 1984 the industry believes Renault will launch its replacement for the large cars, the R20 and R30 models.

This is a key element in Renault's drive to increase production to 2.5m vehicles by 1985, up from 1.96m last year.

M Hanon admitted that the company had been under pressure from American Motors (AMC), its 46.4 per cent owned associate in the U.S. to provide a bigger car to follow the R9, sold in the U.S. as the Alliance, and the R11, sold as the Encore, following the fall in petrol prices in the U.S. which has led to a switch back towards bigger cars

Pact on export credits

Continued from Page 1

large interest rate subsidies that countries like Britain have been paying because domestic rates have been higher than the Consensus mining.

The UK paid £536m as a indirect subsidy to exporters in the last financial year. This subsidy has vexed the Treasury, not least because it has been going to relatively few big engineering and construction companies and helping perhaps only 5 per cent of UK exports.

Negotiations had been at deadlock because the French wanted the Consensus rates brought down a full 2 per cent in line with world rates. The Americans, always fiercely anti-subsidy, wanted to keep them as high as possible.

But it appears the French gave in because world rates have been moving up again during the last six months and France finds it increasingly hard to afford the interest rate subsidy for its exporters.

In return for accepting the rates agreed in Paris this week, the French have won an apparently minor concession in the fine print of the deal. The cuts were to have been restored over the next three years: now thet prccess will not start until 1985.

The Paris deal, still to be ratified by governments, also confirms a new arrangement by which exporters can get official support for export loans in currencies whose rates are below the 12.4 per cent maximum of the Consensus. Those currencies at the moment include the yen, Swiss franc and D-Mark. A "surcharge" of 0.3 per cent has been reduced to 0.2 per cent, mainly in response to Japanese complaints.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	22	72	Dubrovnik	S	19	66	Malaga	S	25	77	Salzburg	S	18	64
Akrotiri	S	23	73	Faro	F	23	73	Malta	C	23	73	Seoul	C	15	59
Algiers	S	31	88	Florence	S	21	70	Manila	R	33	91	Singapore	C	33	91
Amsterdam	S	15	59	Frankfurt	S	14	57	Miami	C	30	86	Stockholm	D	8	46
Athens	S	21	70	Funchal	S	24	75	Milan	S	18	64	Strasbourg	S	17	63
Bahrain	S	31	88	Geneva	S	16	61	Moscow	F	8	46	Sydney	C	22	72
Bangkok	C	31	88	Gibraltar	F	24	75	Munich	R	17	63	Taipei	C	27	81
Barcelona	S	24	75	Guernsey	S	13	55	Nairobi	—	—	—	Tangier	S	25	77
Beirut	C	24	75	Helsinki	R	6	43	Naples	S	21	70	Tehran	—	—	—
Belgrade	C	15	59	H. Kong	R	26	79	New Delhi	S	31	88	Tel Aviv	F	26	79
Berlin	S	16	61	Innsbruck	S	16	61	New York	R	22	72	Tenerife	S	30	86
Biarritz	S	25	77	Inverness	S	12	54	Nice	S	22	75	Tokyo	C	21	70
Blackpool	C	12	54	Istanbul	R	12	54	Oporto	C	15	59	Toronto	R	16	61
Bordeaux	S	26	79	Jersey	S	14	57	Oslo	C	7	45	Tunis	S	24	75
Brussels	S	18	64	Jo'burg	S	24	75	Paris	S	20	68	Valencia	S	26	79
Budapest	S	15	59	Las Palmas	C	28	82	Prague	S	17	63	Venice	C	19	66
B. Aires	S	22	75	Lima	S	21	70	Reykjavik	F	5	41	Vienna	S	16	61
Cairo	S	29	84	Lisbon	F	21	70	Rio de J'o	C	24	75	Warsaw	F	13	55
Cape Town	C	17	63	Locarno	S	15	59	Rome	S	22	72	Zurich	S	15	59
Caracas	C	30	86	London	R	17	63								
Casablanca	S	25	77	Los Angeles	S	35	95								
Copenhagen	S	15	59	Luxembourg	S	15	59								
Corfu	S	22	75	Madrid	S	24	75								
Dublin	S	12	54	Majorca	F	23	73								

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

UK newspaper group sale may raise £100m

BY ALAN PIKE AND JOHN MOORE IN LONDON

MIRROR GROUP Newspapers of the UK, publishers of six titles with a combined circulation of 34m copies per week, is to be offered for sale to investors by Reed International next year as a separately quoted public company.

The proposed flotation could raise £100m ($150m) or more. According to analysts the attraction for investors will be the Mirror Group's 7.8 per cent shareholding in Reuters, the highly successful international news agency. The agency is expected to be floated off next year by the newspaper proprietors who now hold its shares.

The Reuters flotation is likely to raise £1bn. Mirror Group's interest in Reuters could be worth around £80m. In the last financial year, ending in March, Mirror Group contributed £8.1m to Reed's pre-tax profits.

Reed intends to dispose of its entire Mirror Group shareholding. The sale will be designed to prevent a single owner gaining control, and protect the editorial independence of the only UK national newspaper group which supports the Labour Party.

Sir Alex Jarratt, chairman of Reed, said yesterday that the proposed sale did not reflect disenchantment with national newspapers, but a desire by Reed to consolidate its interests in other areas of publishing.

Reed shareholders and the Mirror Group's 7,434 employees will be offered preferential opportunities to buy shares in the new company.

The company will have a new chairman, who may well be a prominent figure intended to reasure staff that editorial independence will be protected.

Mirror Group Newspapers publishes the Daily Mirror, Sunday Mirror, Sunday People and Sporting Life, which are published in London and Manchester, plus the Scottish Daily Record and Sunday Mail in Glasgow, Scotland.

The Daily Mirror, once Britain's biggest selling daily newspaper, is entrenched in a circulation war with the other popular tabloids.

Lex, this page

Aridor quits after $-link row

Continued from Page 1

dex. He explained that this linkage makes it impossible to fight Israel's triple-digit inflation. "But if we use dollar terms, then our inflation will be more or less in dollar terms – a low two-digit level," he said.

The Finance Minister explained that the link with the dollar was to be the third stage of a programme "which could solve once and for all our problems with the balance of payments, inflation and the budget." He said that this final phase could only work if the other two stages were carried out first.

The first stage was to be a U.S.$2bn cut in the budget. Half of this was approved by the previous cabinet two months ago, but never implemented because of the opposition of some cabinet ministers and the political crisis brought on by the resignation of Mr Menahem Begin as Prime Minister.

THE LEX COLUMN

New frame for the Mirror

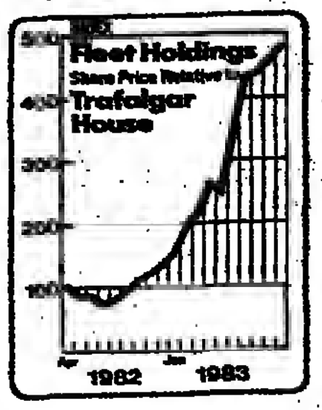
The rebuilding of the UK newspaper sector in the stock market first with Fleet Holdings and soon with the Mirror – does not indicate that investors are looking at newspaper publishing with fresh eyes. Almost the reverse: it demonstrates the longing of diversified parents to be rid of investments that have proved unhelpful to their own stock market reputations.

For Reed International, the prospect of the flotation of Reuters must look like a once-and-for-all opportunity to duck out at a profit. The group has clearly taken its cue from Fleet, floated off by Trafalgar House last year. Fleet was demerged on an initial valuation of about half book value, but has since rocketed from a low of 15p share to 128p yesterday – down 2p – as the Reuters factor has dug itself under investors' skin.

Reed can argue that the need to hang on to some £20m of cheap, secured debt has militated against the demerger route. But the board is making no secret of its desire to pump the cash into its balance sheet and pull down the proportion of net debt to equity from 83 per cent to perhaps 68 per cent.

The penalty on a straight flotation will be to channel a healthy proportion of the cash raised to the Inland Revenue in the shape of capital gains tax. Maybe the Reed board feels that shareholders will be grateful that the company has realised the grand market expectations for Reuters in hard cash – protecting them from a future reassessment of the Reuters phenomenon when, for instance, the competition hots up.

With £1bn the fashionable current valuation for Reuters, Fleet's 12 per cent stake can be put at £90m, applying a 25 per cent discount. The Fleet valuation of £108m therefore implies a very low rating on the £9.5m of pre-tax earnings last year. Similar calculations produce a valuation in the region of £80m for the Mirror Group. For Reed the 1 + 1 = 3 mathematics pioneered by Trafalgar have already started to operate, with an 18p rise in the share price in London yesterday to 332p.



MFI rights

The MFI furniture retailing machine has been tuned to such a pitch of cash-generating efficiency in recent years that yesterday's £28.8m rights issue – the company's first – seems incongruous even in relation to expansion plans which make it appear that, before long, half of England may be covered with furniture warehouses.

MFI's case for raising fresh equity is essentially that it is virtually doubling its rate of physical expansion in the next two years, from 10 to 20 per cent, and that internal cash flow cannot be expected to take the full strain as the sums committed approach £30m a year.

Even without the rights proceeds, MFI could probably have ended the present year with gearing of no more than 10 per cent. As it is, the balance sheet may be sporting net cash of perhaps £10m in May 1984, and could still be clear of debt into 1985, assuming that profits do no more than grow in line with surface area.

For all its efforts to penetrate new segments of the furniture market – such as bedding and upholstery – MFI might yet find it hard to keep profits moving ahead in a couple of years time, when the next recession may be at hand. It is still a volume-sensitive retailer, vulnerable to the economic cycle.

Despite a very strong set of 1983 results, when pre-tax profits more than doubled to £30m, MFI's share price had slipped 14 per cent from its 164p peak by the time yesterday's issue appeared. A further 11p drop to 130p yesterday suggested that the market – not unreasonably – was less than convinced.

Coats Patons

Coats Patons is drawing towards the end of its long European rationalisation programme and is understandably anxious to project itself as leaner, fitter beast. The stock market, however, looks at the record and the industry, points a finger at the quality of Latin American earnings and continues to view Coats' equity as a dull trading investment.

In the six months to June, Coats has managed a 33 per cent increase in pre-tax profits to £33.8m and, assuming no dramatic change in c ency parities, it should m around £58m for the full year. plying an actual tax charge, t leaves the shares, at 71½p, o multiple of about 4.4 times t year's earnings and yielding a p spective 9 per cent. Hardly gla rous stuff.

The market has history on side and there is no escaping vulnerability of the South Ameri companies, which will show a pr fall of around 25 per cent in sterl terms this year. But returns on c ital there remain above the gr average even in lean years profit growth of around 15 per c is now being extracted from rest of the western hemisphe Moreover, reorganisation costs which will total about £4m ab the line and £12m below this yea will fall away in 1984. Coats Pat will never be exactly a growth st but the company has some groun for feeling miffed at its current ing.

Midland Bank

The arrival of its first finance rector is working wonders for M land Bank's capital base. T months ago, the group rai £155m through a rights issue a yesterday it followed that up w plans to issue $400m of subordi ed debt in New York.

These two exercises will some respectability to the capital ratios but will hardly leave with much room for growth. M land secured Aa1 ranking for debt from the U.S. credit rating encies which, since Morgan Gu anty is the only U.S. bank holdi company to enjoy triple-A status, no insult. But it will be uncom tably aware that both Barclays National Westminster obtained f marks when they took the sa test.

The rating agencies dropped Mi land a peg partly because of t non-performing property loans its Crocker subsidiary but also b cause its balance sheet, adjusted U.S. norms, was weaker than t other clearers.

The debt issue will bring the pr portion of capital which Midlan can derive from subordinated de close to the Bank of England's ce ing so, from now on, it will need t grow through retentions. Short of dramatic reduction in the cost bas the only way to do that effectivel may be to reassess a historicall generous dividend policy. Its div dend cover and its retentions (as percentage of equity) are still th weakest in the UK industry.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday October 14 1983

Third-quarter gain takes Allied ahead at nine-month stage

BY TERRY BYLAND IN NEW YORK

ALLIED Corporation, the diversified U.S. energy, chemicals and industrial products group, experienced an expected upturn in trading in the third quarter of the year.

Net earnings for the quarter moved up to $107m or $1.51 a share from the comparable quarter's $91m or $1.43, adjusted on a pro forma basis to allow for the acquisition of Bendix in September 1982.

Sales for the quarter showed a modest rise from $2.46bn to $2.6bn.

For the first nine months, Allied, which suffered a 28 per cent drop in earnings last year, has edged net profits up from $281m or $4.65 a share to $292m or $4.33, to which is added $39m from a change in accounting policies.

Allied has been hurt by the sluggish trend of its energy and machine tool industry divisions but other subsidiaries, including chemicals and motor trade products, have been performing well.

Mr Edward Hennessy, chairman, disclosed that the Bendix and Martin Marietta acquisitions had added 85 cents a share to Allied's nine-month earnings total. He also confirmed that Martin Marietta has repurchased from Allied 1.8m Marietta shares, providing a gain of 17 cents a share, and that it will round of the operation with the purchase of a further tranche of its shares from Allied at the end of this month, bringing Allied's total gain to over 55 cents a share.

He commented that Allied was "well ahead" with its plan to reduce the $757m pro forma debt level shouldered following its acquisitions of Bendix and Martin Marietta.

Total debt to capital ratio was now 32.2 per cent, and long-term debt ratio 26.56 per cent.

Raytheon earnings decline continues

BY OUR NEW YORK STAFF

RAYTHEON, the U.S. technology conglomerate, has reported its fifth successive decline in quarterly earnings with net income down 8.3 per cent to $76m in its third quarter ending October 2.

The group says its defence electronics business continued its strong growth in volume and diversity and was the major contributor to the third-quarter results.

Group sales rose 13.7 per cent to $1.485bn in the latest three months. Earnings per share totalled 90 cents compared with 98 cents per share. For the first nine months of the current year net income totalled $226.8m against $248m.

Raytheon says its appliance business experienced gains in sales and earnings but other commercial markets have been slower in recovering from the recession.

Beech Aircraft's third quarter sales increased but profit margins were down, reflecting significantly higher research and development expenses.

Group orders stood at $5.69bn at the end of the third quarter, some 6 per cent lower than a year ago. But U.S. Government contracts within the total have risen from $2.64bn to $3.35bn.

TRW expects slight gain for full year

BY OUR NEW YORK STAFF

A WIDE-RANGING recovery in TRW's vehicle, industrial and energy components divisions led to a 12.8 per cent increase in the U.S. groups operating profits in the third quarter, while sales rose 6 per cent to $1.32bn. Net earnings, however, fell marginally from $59m in the same period of last year to $58.8m, or $1.54 a share, because of a $17.6m exceptional gain in 1982.

The company said yesterday that, excluding the non-recurring profit, its net earnings rose by 42 per cent, and that it was encouraged to see the recovery now taking hold in the U.S.

"During the third quarter, improvements in productivity and quality added to operating profits in each of our segments," Mr Ruben Mettler, chairman and chief executive, said.

Mr Mettler added that the company expected sales, operating profits and net earnings in the fourth quarter to be much higher than last year, although reported earnings and earnings per share for the full year would be up only slightly.

Operating profits in the group's electronics and space systems division generated the most striking gains in the third quarter, with operating profits up 19 per cent to $56.5m. Profits in the car and truck division rose by 6 per cent to $30.2m.

Sales rise for Mead

BY TERRY BYLAND IN NEW YORK

MEAD CORPORATION, the Ohio-based timber and paper company, recorded a 15 per cent gain in sales in the third quarter and extended the recovery in profits achieved in the second quarter.

The board said the market for white paper had strengthened considerably. This is of particular significance for Mead which has completed plans to expand its white paper production capacity by 30 per cent.

Net earnings from continuing operations totalled $16m in the third quarter, lifted to $26.9m by a $10m contribution from operations now discontinued and also an extraordinary gain of $900,000.

In the comparable period, Mead suffered a loss of $17.9m.

In fiscal 1982, Mead recorded a loss of $61.8m as its North American markets were hurt by the recession. The company remained in loss during the first quarter of this year but in May announced that it was selling off three major lossmakers, for $130m.

At the nine month stage, Mead shows final net earnings of $24.1m or 85 cents after taking in $7.2m from discontinued operations and extraordinary gains of $5.4m. Sales have advanced from $1.6bn to $1.8bn.

Osborne Computer looks for rescue bid

By Louise Kehoe in San Francisco

OSBORNE COMPUTER, the California-based personal computer manufacturer which has filed for protection under Chapter 11 of the U.S. bankruptcy laws "is currently talking to several other companies about the possibility of a takeover," said Mr Robert Jaunich, president and chief executive officer.

Mr Jaunich said that he expects work to be completed soon on prototypes of a new IBM-compatible version of the Osborne Executive portable computer. "With a reasonably modest investment we could start manufacturing that computer," he said. Since the bankruptcy filing, Osborne sales have slowed down and shipment flow had virtually dried up, he added.

Osborne also said it had sold $1m worth of spare parts to Xerox, the big U.S. office equipment manufacturer, as part of an agreement under which Xerox will offer repair services to an estimated 100,000 Osborne computer owners in the U.S.

Proceeds of the deal, which have been approved by the Federal Bankruptcy Court will go into an account administered by the court. Osborne's banks, which head a list of over 600 creditors, are expected to be the chief beneficiaries.

Xerox, which also obtained Osborne's customer mailing list, will offer service contracts on the computers for $285 per year. Osborne factory warranties will not be honoured. According to computer retailers and repair services, Osborne computers require more repairs than are average in the industry.

He declined to identify the companies involved, but industry analysts speculate that a Japanese personal computer maker might be interested in buying Osborne Computer. "Osborne has an existing dealership network that would be a valuable asset to any company that is trying to break into the U.S. market," comments John Keifer of InfoCorp, a San Jose-based market research group.

Osborne's $46m debt might also be a useful tax write-off for a company with U.S. profits. Sources in the San Francisco financial community suggest that Osborne is being offered at a price of around $30m. According to court records the company has assets of around $40m. "For the right party, Osborne might look attractive," says Mr Keifer.

A major drawback, however, is Osborne's reputation sullied by its failure to deliver promised products. The company's dealers are also proving less than loyal. One of Osborne's former top 10 dealers in the U.S. says he dropped Osborne products six months ago because too many customers returned the computers with technical problems.

Mr Adam Osborne, founder of Osborne Computer, has been widely rumoured to be attempting to put together a plan to save the company. "It is one of the things I am looking at, but I have far more attractive plans to put together a software distribution operation," he said yesterday.

Mr Osborne will not reveal details of his plans but says he is sure he will have no trouble raising money.

Salvaging Osborne Computer would be difficult, Mr Osborne says. "I would have to start a brand new company from scratch. The personal computer market is now a battle of the Titans and I am not at all sure that it would be a good idea."

As for the future of Osborne Computer, Mr Osborne is sceptical. "The company is devastated," he said. It is possible that Mr Jaunich will find a buyer, he believes. "But the longer he leaves it the less viable it becomes," he said.

ENERGY LENDING EXPOSES BANKS TO UNPREDICTABLE SWINGS OF FORTUNE

Texas banks caught in the oil patch

BY WILLIAM HALL IN NEW YORK

WHEN THE tiny Penn Square National Bank of Oklahoma City was declared insolvent on July 5, 1982, the event was initially dismissed by the financial community as just a case of a badly managed small bank over-extending itself.

However, as this week's news from several Texas banks has demonstrated, the Penn Square debacle was the first real signal to the world financial community that all was not well for some of the banks that had been caught up in the unprecedented boom in America's "oil patch" in the previous couple of years.

When it collapsed, Penn Square only had deposits of $465m and did not even rate an entry in the Bankers' Almanac, the bankers' bible. However, it had been growing rapidly, increasing its assets some 15-fold since the mid 1970s chiefly through loans to booming oil and gas companies, and had also sold some $2bn in energy loans to several bigger banks including Seafirst, Continental Illinois and Northern Trust.

For the past year bankers have been insisting that the Penn Square saga – which forced Bank of America to come to the rescue of Seafirst and seriously damaged Continental Illinois' earnings power and reputation – were abnormal events resulting from a breakdown in credit-vetting procedures at the various banks involved.

However, the news from Texas banks this week indicates that the recession in the U.S. oil services industry is more deep seated than many had first thought and is now having a serious impact on the credit quality of several banks' loan portfolios and hitting the earnings of a group of banks which have ranked traditionally among the most profitable in the U.S.

While few Texas banks have been growing as fast as Penn Square, all have experienced above average growth as a result of the oil boom. Interfirst, which has reported a $194m third-quarter loss following $430m loss provisions, was for many years a stock market high flyer.

In common with most other Texas banks its return on equity last year was over 20 per cent and its return on assets was comfortably over 1 per cent, more than double the average for the top ten U.S. banks.

Last year's performance was not unusual and over the last five years it earnings per share had been growing at a rate of over 20 per cent per annum, roughly twice the rate of Citicorp, very much the "blue-chip" of the U.S. banking industry.

Mr Elvis Mason, Interfirst's chief executive, blames the substantial and prolonged decrease in exploration and drilling activity for his bank's extraordinary high losses, sentiments echoed by the Houston-based First City Bancorporation, which reported that its third-quarter earnings would be down by more than 80 per cent due to the need to more than double provisions.

Meanwhile, the Federal bank regulators have stepped in to support the First National Bank of Midland, an aggressive West Texas energy lender which has been backed by some of the state's wealthiest cattle ranchers and oil men.

The Federal Deposit Insurance Corporation (FDIC) has taken the unusual step of lending the bank $100m, which comes on top of the $500m plus of support it is receiving from the Federal Reserve. The bank, which has seen its deposits slump from $1.5bn to $854m over the last 16 months, has lost $121m so far this year and has non-performing assets of $328m, which must be a record for a bank of its size.

Like Penn Square it has also sold loan participations to other banks although the extent of these participations has not been revealed. Nevertheless some smaller Texas banks are suffering through their involvement.

The rest of the major Texas banks to report so far have fared nowhere near as badly as Interfirst or First National Bank of Midland. While the relative size of Interfirst's energy loan portfolio, just over a quarter of the total, is not untypical for Texas banks it appears that the bank lent considerable sums secured on drilling rigs, and with one out of two rigs still out of work in Texas, this sort of collateral is not worth much at present market prices.

It is clear that in the heady Texas oil boom of 1981-82, which followed the sharp rise in world oil prices, some banks let their credit standards slip. Drilling activity in the U.S. measured by the number of rigs working, is 28 per cent up on its April low point and the Texas-based Republic Bank forecasts that 1983 looks set to be the third most active drilling year on record.

So bankers are hoping that the worst is over. Even so it will be some time before Texas banks can recover their former glamorous image. In addition to the problems of the oil services industry – which are more widespread than many first thought – Texas banks are suffering from their proximity to Mexico.

This has hurt the border economy in Texas and also resulted in serious problems for some banks with their international loan portfolios. Several banks have been reducing the size of their international departments and in some cases laid off staff.

Bank regulators are watching the Texas banking scene with some nervousness. Texas is now the third biggest banking market in the U.S. and several Texas banks have emerged as major financial institutions as a result of the state's rapid growth.

If any major Texas bank was to run into serious financial difficulties through its exposure to the "oil-patch", it could have serious repercussions for confidence in the U.S. financial system generally, which perhaps explains why the FDIC is lending money to First National Bank of Midland rather than let its big depositors lose their money as occurred in the case of Penn Square.

The problems in the U.S. oil industry are not as bad for the banks yet as was the case with the property investment trust industry of the mid-1970s, but they are heading that way.

PERFORMANCE OF TEXAS BANKS – THIRD QUARTER 1983 ($)

	Assets ($bn)	Net income ($m)	% change + (−)	Loan loss provns. ($m)	Non-perf. loans ($m)	% of loans
Interfirst	22.4	(194)	n/a	430	687	4.80
RepublicBank	17.7	38.2	2	28	380	3.26
Texas Commerce	17.5	44.4	3	11	244	2.30
First City Bancorp	16.6	5.0	(85)	61	372	3.7
Mercantile Texas	10.8	27.9	1	16	n/a	n/a
Southwest Bancshares	7.4	9.9	(43)	11	176	4.0
Allied Bancshares	7.1	25.5	9	n/a	n/a	n/a

Source: Corporate trading statements

Chemical hoists third-quarter earnings

BY OUR NEW YORK STAFF

CHEMICAL NEW YORK, parent of the sixth largest bank in the U.S., yesterday reported a rise in third-quarter net earnings from $69.2m, or $2.33 a share, to $76.3M, or $2.25. This lifts nine-month earnings from $188.5m ($6.79 a share) to $217.5m ($6.87). The per share figures reflect an increased number of preferred and common stock outstanding.

Loan loss provisions for the third quarter were $41.8m compared with $34.7m in the third quarter of last year. Net charge offs were $28.7m against $19.7m. For the first nine months, loan loss provisions were $98.5m against $75m.

● J. P. Morgan, the New York banking group, yesterday reported a $5m drop in its third-quarter net income to $101.1m. Earnings would have been another $5.5m lower but for a change in the rules, which allowed it to increase from 80 days to 90 days the permitted grace period before loans in arrears are categorised as "non-performing" for regulatory purposes.

Morgan and other New York lenders such as Bankers Trust and Manufacturers Hanover have been pressing for some time to have the rules changed so that they can apply the same definition of non-performing loans as nationally chartered banks such as Citibank.

As a result of growing financial difficulties in Brazil, a heavy borrower from banks such as Morgan, state-chartered banks have seen their non-performing loans starting to rise rapidly again after several months of stability. The New York banking authorities issued a directive three days before the end of the third quarter that puts state chartered banks on a par with nationally chartered banks.

Morgan has, however, disclosed figures before and after the regulatory change. Aside from the $5.5m negative impact on earnings under the 60-day rule, the size of the non-performing assets would also be $153m higher than the $775m disclosed under the new rules. That compares with $576m at the end of the second quarter and $447m a year ago.

● Irving Bank Corporation, parent of Irving Trust, the 16th largest bank in the U.S., reported net income for the third quarter of $21.6m or $2.25 a share against $19.4m or $2.21.

This took earnings for the first nine months to $69.5m or $7.31 a share against $60.1m or $6.84.

● Harris Bankcorp, the big Chicago bank which has agreed to a $550m merger with Bank of Montreal, suffered a sharp fall in third-quarter net income from $10.2m or $1.54 a share to $6.3m or 95 cents.

Non-performing loans rose to $100.8m at September 30 from $88.1m a year earlier and $94.7m at June 30.

Non-interest income in the third quarter fell 11 per cent to $25.8m and in the nine months it rose 3 per cent to $76.8m.

● First Pennsylvania Corporation, the parent of America's oldest commercial bank, which was the subject of the biggest banking rescue in U.S. history in May 1980, is planning to raise $150m and discharge itself from the "sick bay" of the U.S. banking scene 16 months ahead of schedule.

Pta 33bn issue for Telefonica

By David White in Madrid

SUBSCRIPTIONS open tomorrow for a one-for-five rights issue by Compania Telefonica Nacional de Espana, the Spanish telephone monopoly in which the state has a large minority shareholding.

The Pta 33.6bn ($224m) operation is its first capital increase for two years. The company decided against raising new equity capital last year because of the depressed state of share prices.

The new shares are being issued at Pta 350 or 70 per cent of their nominal value of Pta 500. This compares with a recent stock market level of about 90 per cent of par.

The remaining 30 per cent is to be paid in from reserves. The issue will raise the nominal capital of the company from Pta 240bn to Pta 288bn, the largest of any Spanish quoted stock.

Other fund-raising operations by Telefonica this year have included its first move on to the growing domestic commercial paper market, in a two-part operation totalling Pta 30bn.

The company, which has a key co-ordinating role in Spanish Government plans for the electronics industry, registered net profits last year of Pta 28.5bn, 11 per cent up in local currency terms over 1981.

Under the company's statutes 75 per cent of its bearer shares bear a stamp which makes them non-transferable to foreign nationals.

Bouygues boosts profit 22%

By Paul Betts in Paris

BOUYGUES, the French construction company, reported yesterday a 22.5 per cent rise in first half group earnings to FFr 125m ($15.6m) from net profits of FFr 102m during the first half of 1982.

The construction group said it is expecting a 30 per cent increase in group sales this year to about FFr 18bn compared with the previous year. For the first time, Bouygues is including its U.S. sales, which are expected to total FFr 600m this year.

Orders totalled FFr 23.8bn at the beginning of this month compared with orders of FFr 21.4bn at the same time last year. The company also said it expected group sales to rise to FFr 20bn in 1984.

The Bouygues board approved yesterday payment of a dividend of FFr 9 per share this year

M Francis Bouygues, the chairman of the company, said the group expected to complete its huge Riyadh University project in Saudi Arabia on schedule at the beginning of August next year.

FFr 685m loss for Pechiney

BY PAUL BETTS IN PARIS

PECHINEY, the French nationalised aluminium producer, yesterday reported a net loss of FFr 685m ($85.8m) for the first half of this year.

This loss does not include the deficits of the group's chemical subsidiaries and its U.S. Howmet Aluminium Corporation subsidiary which were sold or shelved earlier this year.

The first-half loss compared with a loss of FFr 961m for the first half of 1982 excluding the chemical operations and the U.S. subsidiary. Including these subsidiaries, the loss in the first half of last year totalled FFr 1.6bn.

The group has recently been renamed simply Pechiney. It was traditionally known as Pechiney Ugine Kuhlmann or PUK.

The group has shed its chemicals operations to Elf Aquitaine, the state-controlled oil company, and Rhône Poulenc the nationalised chemicals company. This was part of the broad reorganisation of the French chemicals industry.

It also sold its U.S. subsidiary as part of a major redeployment of assets in the U.S. with aluminium production increasingly concentrated in Canada where Pechiney has been granted interesting incentives from the province of Quebec to build a new aluminium plant.

Pechiney said yesterday the lower net losses in the first half reflected both improved productivity and the general improvement in the world market. The nationalised company said it expects this improved trend to continue in coming months.

Goodyear rules out bid for Dunlop French arm

BY OUR PARIS STAFF

GOODYEAR, the leading U.S. tyre and rubber company, said yesterday it was not interested in taking over part or all of Dunlop's French operations.

Dunlop's French subsidiary is now operating under the supervision of court appointed receivers following its decision this month to file for bankruptcy.

The decision has worried and angered the French Government, which has called a meeting of all the parties involved in the Dunlop France affair at the industry ministry later this month.

The meeting is to discuss the future of the French subsidiary which employs some 5,500 people. A possible solution was for the Dunlop operations to be passed on to either Michelin, the large French tyre company, or Goodyear, the U.S. group with an important presence in France. But this solution now appears to have collapsed.

Goodyear said from its headquarters in Akron, Ohio, yesterday it had no interest in Dunlop France "particularly because of the overcapacity situation in Europe."

Michelin, for its part, also appears to have no interest in Dunlop's French activities. The French group has been involved in a major and costly restructuring programme and reported a loss of FFr 4bn ($500m) for 1982.

French industry ministry sources suggested Michelin was in no position to take over part or all of Dunlop's French activities.

Parent group writes off Mobag unit

By John Wicks in Zurich

MOBAG, the Swiss contractor company, has been entirely written off by its parent company at a cost of SwFr 71m ($33.5m). Mobag has been in financial difficulties since the Iranian revolution led to the cancellation of a major contract there.

This contract, the building of 6,000 dwellings in Tehran, has cost the Baden-based holding company Motor-Columbus a total of some SwFr 270m including the final write-off. Apart from not receiving payment from the revolutionary Government, Mobag as general contractor has been the subject of suits brought by a number of subcontractors.

The Mobag subsidiary will continue to exist and keep up its efforts to gain compensation from Iran, as well as "warding off exaggerated demands."

Higher profit level for Swedish Match

BY DAVID BROWN IN STOCKHOLM

SWEDISH MATCH, the diversified industrial group, has increased pretax profits after net financial items almost threefold for the first eight months ending August to SKr 202m ($26m) from the SKr 71m achieved at the same point last year. The increase on a 12-month basis is 220 per cent to SKr 343m.

The group estimates its results after financial items for the full year will be "in the range of SKr 400m" compared with SKr 212m last year.

Sales were up 13 per cent to SKr 5.3bn, while operating costs rose from SKr 4.3bn to SKr 4.9bn. The operating result at SKr 312m was up 33 per cent over last year's figure.

The group was able to bring down its net financial costs by 33 per cent to SKr 110m due almost entirely to lower interest payments.

The increased result was attributed mainly to a four-year restructuring under which it has targeted its flooring and do-it-yourself unit, its match group and its packaging operation as priority business areas. The devaluation of the krona last October was also said to have a positive effect on sales.

The report stated: "Business trends in our main markets have still not made any significant contributions to the improvement in earnings."

The Tarkett flooring unit had sales of SKr 1.4bn and increased operating results by 44 per cent to SKr 61m due mainly to a stronger market for resilient flooring in Scandinavia and the U.S., as well as an improvement in its wooden flooring division

Sales at the Match group declined 6 per cent to SKr 1.1bn with operating results roughly constant at SKr 113m for the eight-month period. The group said, however, that business trends were strong.

Mesa abandons bid for KN

By Our Financial Staff

MESA PETROLEUM, the independent Texas oil company headed by Mr T. Boone Pickens Jr, has withdrawn its $446m bid for KN Energy, a Colorado-based natural gas pipeline company.

Mesa indicated it dropped its offer because KN Energy's board opposed it as "inadequate" and declined to meet Mesa to discuss the matter.

Mesa said it plans to retain its shares in KN Energy and will evaluate the results of a plan proposed by KN Energy's board to spin off shares in a new corporation which will own KN Energy's two oil and gas exploration and production subsidiaries.

Health groups advance

BY OUR FINANCIAL STAFF

ABBOTT LABORATORIES and Baxter Travenol Laboratories, two large U.S. health care products companies, have reported sharp gains in third-quarter earnings and sales.

Chicago-based Abbott, which has strong positions in nutritional therapy, medical supplies, pharmaceuticals and intravenous products, lifted net earnings for the three months from $66.4m or 55 cents a share to $80.3m or 66 cents.

This took nine-month earnings to $241.5m or $1.98 a share

Baxter Travenol, the leading U.S. manufacturer of intravenous feeding solutions and kidney dialysis equipment, pushed up third-quarter net earnings from $48.6m or 34 cents a share to $57.4m or 41 cents, on sales up from $418.3m to $471m.

INTERNATIONAL COMPANIES and FINANCE

News Corporation to spend heavily on satellite broadcasting

BY LACHLAN DRUMMOND IN SYDNEY

MR RUPERT MURDOCH'S News Corporation has followed up a near-doubling of pre-interest trading profits for the year to June 30, to A$131.3m (U.S.$120m) from A$67.7m, by committing itself to heavy expenditure out of the next two years' earnings on satellite broadcasting.

In the annual report, Mr Murdoch, the chief executive of the Australian-based international publishing group, lays out plans to achieve "the logical transformation of News Corporation into a broadly-based international communications company."

The group expects in the next few months to be operating the first nationwide satellite, aimed at a home broadcast in the U.S., through Skyband, which is to beam at least five television channels over the continental U.S., with each subscriber's home equipped with a dish antenna.

"While our ambitions for the first phase of this operation are limited"—involving the building of a subscriber network of perhaps 2m homes—"we believe the competitive advantages of being there first are enormous."

A breakdown of last year's pre-interest trading profits shows U.K. operations as contributing A$67.7m, compared with A$11.33m.

U.S. interests continued their strong advance, lifting their contribution to A$20.5m from the previous year's A$3.7m profit, itself a turnround from losses of A$4.2m in 1980-81. Australian were down from A$49.4m to A$43.2m.

On the UK operations, Mr Murdoch says that The Times still has many problems to overcome before reaching profitability, adding that it continued to recover steadily and in the January-June period—covering the absence through industrial action of the Financial Times—advertising volumes grew by 25 per cent. The Sunday Times' advertising revenues grew by 16 per cent in the year, and while the supplements were profitable overall, the Literary and Higher Education supplements continued to lose money, albeit at a lower rate.

"Continuing losses were unacceptable, Mr Murdoch says, and a review was underway to find what could be done to bring them to profits.

Notes to the accounts give a breakdown of subsidiary contributions to net earnings of A$86.92m, against A$37.26m. While these can be misleading, they reveal a loss for Times Newspapers Holdings Ltd of A$14.6m for the year, compared with A$23.85m.

Honda hit hard by plunge in motorcycle market

BY YOKO SHIBATA IN TOKYO

HONDA MOTOR, the world's largest manufacturer of motorcycles and Japan's fifth largest passenger car maker, lifted consolidated net profits under the equity method by 19.6 per cent to Y43.424m ($185m) in the first six months ended August 31, 1983.

Honda's half-year sales improved by 5 per cent to reach Y1,198.3bn ($5.1bn), while profits per share rose to Y48.93 from Y44.50 in the previous year. These results reflected a strong performance by many of the group's subsidiaries.

The parent company's results in the same period, however, showed a far less happy picture. Net profits, at Y10bn, were down by 43.6 per cent on sales of Y874.2bn (up by 3 per cent). Parent company profits per share for the first half year were less than a quarter of those on a consolidated basis, at Y11.60 (Y23.94).

Hit hard by the unprecedented recession in the world market, Honda's sales of motorcycles fell by 84,000 units (4.3 per cent). The fall was steepest in domestic sales, which dropped by 149,000 units (15.8 per cent).

Honda's car sales rose by 3 per cent in volume to 293,000 units, helped by a gain of 10.3 per cent in the domestic market, though overseas sales were unchanged from the previous year. The group's efforts to lay greater stress on higher value-added cars were rewarded by a 13 per cent increase in the value of car sales, which accounted for 55.1 per cent of total turnover.

However, value sales of motorcycles fell by 12.8 per cent to account for 23.3 per cent of the overall sales.

As much as 70 per cent of consolidated sales was achieved through overseas subsidiaries, whose contribution rose by 7.4 per cent, while domestic sales moved up by 5 per cent from a year ago.

Among other factors weighing on earnings, the company stepped up its research and development expenditure by 4.5 per cent to Y43bn, equal to 3.6 per cent of consolidated turnover. At the same time revenues from affiliated companies (under the equity method), in Latin America dropped sharply to Y277m from Y983m in the previous year, largely as a result of currency devaluations in the region.

On the positive side, there was an improvement in the cost of sales ratio (up by 0.8 per cent point to 66.8 per cent) and an improvement in financial balances.

Capital outlays shrank to Y73bn from Y85bn in the same period of the previous year, reflecting Honda's production cuts in its motorcycle division made to clear excess inventories. However, depreciation in the half year rose by 50 per cent to Y40.6bn under the impact of heavy capital investments in past years, including construction of the car plant in Ohio.

Knock-down (KD) shipments to British Leyland in the first half year totalled 22,700 units and Honda plans to ship 16,600 units in the second half for a total of 39,000 units this year—down by 17,000 units from the previous year's 56,000 sets.

HONDA PRINCIPAL PRODUCT SALES
Consolidated (Ybn)

	Half-year to August 1983	Half-year to August 1982
Motorcycles		
Domestic	97.11	112.11
Export	118.62	135.01
Total	215.43	247.12
Cars		
Domestic	170.69	145.16
Export	350.14	332.03
Total	520.83	477.19

Holmes à Court raises offer for Syme minority

BY OUR SYDNEY CORRESPONDENT

MR Robert Holmes à Court, the Australian entrepreneur, has resumed hostilities with his fellow media proprietors by offering A$8.6m (US$7.75m) for the Herald and Weekly Times group's 14 per cent stake in David Syme and Co, the newspaper publisher.

Syme, publisher of the Melbourne Age newspaper, is 73 per cent controlled by the John Fairfax group of Sydney, which is offering A$3.80 a share to buy out the minority interests, including the Herald, from Syme.

Mr Holmes à Court's Bell Group has now offered A$5 a share to the Herald, or some A$2m more than Fairfax, a move which could block Fairfax's plan to gain complete control of Syme or force a matching offer.

The Herald board is due to meet soon to consider the original Fairfax bid. While the Bell offer may look more attractive on paper, the memory of Mr Holmes à Court's efforts to gain control of the Herald in 1981 and the defensive support given to the group in 1979 by Fairfax will clearly be weighed up by the directors.

Equally they will have been weighed up by Mr Holmes à Court, who continued to pursue the Fairfax and Herald groups through the courts this year in an unsuccessful effort to have the defensive manoeuvres ruled illegal.

The steps in question arose from the 1979 raid by Mr Rupert Murdoch, the Australian publisher, on the Herald, which prompted defensive buying from Fairfax and a Herald associate, Queensland Newspapers.

These manoeuvres were unwound in July last year when Queensland Newspaper bought the bulk of the Fairfax stake of 15 per cent in the Herald. It was this move which brought the legal challenge from Mr Holmes à Court following the failure of his takeover offer for 50.1 per cent of the Herald capital.

Mr Holmes à Court holds about 2.5 per cent of the Herald.

AWA in bid for EEL

BY OUR SYDNEY CORRESPONDENT

AMALGAMATED Wireless (Australasia), the telecommunications, defence electronics and consumer electricals group, is to make a shares and cash offer for Electrical Equipment (EEL) after buying a 20 per cent stake in the company from directors.

The bid, offering either one share and A$5.20 cash for every four EEL shares, or three Amalgamated shares for every five, values the company at between A$2.29 a share and A$2.37, or A$34m (US$31m) to A$36m.

At its lowest valuation the offer represents a 26 per cent premium on the record A$1.82 a share market price level achieved by EEL this week, and exceeds asset backing of A$1.22 a share by 88 per cent. It also represents 10.9 times EEL's record 1982/83 earnings of A$3.3m.

Taiwan plant planned by Commodore

By Bob King in Taipei

COMMODORE ELECTRONICS of the U.S. plans to invest NT$10m (US$250,000) in a peripheral equipment in Taiwan.

Taiwan Government approval is expected shortly.

Commodore, manufacturer of the home computer of the same name, will spread its investment over five years to take advantage of the liberal tax advantages Taiwan offers to high-technology industries.

Mr David Kao, a Commodore executive, said the company could not yet give a detailed breakdown of production plans for the immediate future.

Timing of BMF loans to Carrian criticised

BY WONG SULONG IN KUALA LUMPUR

MR LIM KIT SIANG, the Malaysian opposition leader, followed up his strong attacks on the Government on the Bank Bumiputra loan scandal in Hong Kong with a demand yesterday for the authorities to explain why the bank was still lending large sums of money to the Carrian property group when it was already in trouble.

He said the bank's annual report showed HK$2.23bn (U.S.$276m) having been pumped into Bumiputra Malaysia Finance, its Hong Kong subsidiary, last year.

Malaysian financial analysts say BMF had continued to support Carrian, even after the latter encountered liquidity problems in October 1982.

Commenting on claims by Tan Sri Kamarul Ariffin, the former Bank Bumiputra chairman, that he knew nothing of BMF loans to Carrian and other Hong Kong property groups during his tenure, Mr Lim said this admission reflected "a shocking picture" of the type of leaders managing the country's economy.

BMF is understood to have lent U.S.$850m to the Carrian and Eda property groups, now under liquidation, and to Mr Kevin Hsu, a property developer and jewellery manufacturer, who is making repayments.

TECHNOLOGY

EDITED BY ALAN CANE

'FOURTH GENERATION' COMPUTING COMPANY FORMED

How BTR added a computing string to its corporate bow

BY ELAINE WILLIAMS

BTR Industries decided that it needed to reorganise its computing systems to keep control of its empire. So successful has this been, that the group has now set up a subsidiary to market its computer expertise to other large groups.

Real Time Business Systems is the new subsidiary, specialising in so-called fourth generation high level computer languages. These are really an intermediate step between conventional programming and artificial intelligence.

They enable non-experts in computers to program their own systems simply by setting out the parameters of their problem. The computer asks questions in English and the user replies. From the answers the computer can build up the codes necessary to do the job the user wants. It can establish relationships between the various bits of information which has been input as well.

Once the information is in the computer it can be retrieved in many different ways and is not in a fixed form as in most conventional computer systems. This was the type of flexibility that BTR Industries was looking for.

A large multinational group with hundreds of diverse companies, there was very little conformity in financial reporting to the headquarters and the operating costs of running the group—even with a large computer system—was rising every year. Added to this, BTR was acquiring new companies which had to be brought into the reporting system.

So it was in difficulties. It was expanding rapidly and the large mainframe computer could not grow as rapidly as the company.

BTR sought to rationalise its UK operations and set up a special department of management systems in 1977 to do this job. It came up with a system which used a series of very powerful minicomputers installed at each of the operating units linked to a computer at the headquarters.

Information

They are used to control the financial, commercial and manufacturing systems within an individual operating unit and carry out corporate consultation, profit planning, personnel and pensions as well as finance and accounting.

The information is stored in a relational database, which means that managers in each of the operating companies can set up their reports in the best way to suit the type of business environment in which they operate. Headquarters can present the information in a completely different way to cater for its different needs.

The company now has 60 minicomputers set up in the UK with a total of about 300 terminals. Many of the computers are supplied by Microdata, itself an expert in relational databases.

BTR says that the effect on its operating costs has been remarkable. Comparing operating costs as a percentage of company turnover, it is not unusual for an older computer installation to account for about 2 per cent of turnover. The group says in many subsidiaries the cost has fallen to only 0.5 per cent of turnover.

Now it hopes to bring the same sort of benefits to other companies through Real Time Business Systems. It is offering the complete manufacturing package, financial, commercial and payroll applications, and aids to software development. The company uses several different computer suppliers as it is not a hardware manufacturer itself.

WHAT IS a relational database? It is a way of constructing a file of information—it could be, for example, the complete financial and personnel records for a company—in such a way that it can be looked at by several different groups within the company in ways that suit each group's particular requirements.

Thus, personnel might be interested in listing of the workforce in a company analysed by age, or medical record or status. The accounts department might be interested in the same list but analysed by salary or by freelance earnings or by bonus.

Relational databases are an ideal way of filing business information in the memory of a computer but they are complex pieces of software to write.

IBM has taken the concept a long way forward with its System-R concept.

In the UK, Logica, the software and systems house has been commercially successful with its relational database package Rapport.

REMOTE EXPLOITATION OF OFFSHORE FIELDS BECOMES A REALITY

Enter the robot roustabout

BY RAY DAFTER, ENERGY EDITOR

OILMEN HAVE long dreamed of exploiting offshore fields without the need for production platforms.

These platforms, now a common sight in the North Sea and the Gulf of Mexico, have essentially enable oilmen to transfer land-based technology out to sea. Packed on to these platforms—whether floating units or structures fixed to the seabed—are the drilling and production equipment, together with accommodation facilities that one would expect to find on shore.

Nuisance

All this makes the platforms expensive to build and operate. The structures can also be a hazard to shipping as well as a nuisance to fishermen.

But, in the past few months, there have been developments in the North Sea which tentatively raise the possibility of exploiting offshore fields through underwater systems operated remotely from shore.

Although commercial ventures in themselves, Shell/Esso's Cormorant Field and British Petroleum's Magnus Field have become test beds for such technology. Each of these fields use recently-commissioned subsea production systems operated remotely by means of electrohydraulic controls.

At present these seabed units are linked to fixed production platforms, in some cases more than four miles away. Tom Morgan, marketing and business development executive with Marconi Avionics' offshore projects group, says with current technology it is possible to use electrohydraulic controls up to a distance of seven miles. "It is not beyond the realms of possibility that you could go as far as you need," he said. The industry had made its "first small steps" towards eliminating the need for offshore platforms.

Subsea

But there will be plenty of opportunities for manufacturers of subsea production equipment to expand their businesses in the meantime. Increasingly seabed satellite wells are seen as the most cost-effective way of tapping oil reserves which are too small or in water too deep to justify the installation of a platform or series of platforms.

BP's Magnus Field is a case in point. Inaugurated last month by the Prime Minister, Magnus is equipped with the world's largest steel production platform. However, the wells drilled from this structure cannot reach out far enough to exploit all the oil in the elongated reservoir. So BP decided to instal seven satellite wells, each sited beneath 600 feet of water, up to four miles distance from the platform.

Marconi Avionics and NL Shaffer of the U.S. teamed up to develop what they describe as a "unique fail-safe" electro-hydraulic control system for these wells. Microprocessors are being used to decode electronic messages which, in turn, monitor and control the wellhead operations.

The package, which works in conjunction with an advanced hydraulic control system, is an extension of the micro-electronic control processes developed for military aircraft.

Shell and Esso have adopted a somewhat different approach for the development of their Central Cormorant oil reserves. Like Magnus, Cormorant is an elongated field. The Shell/Esso partnership decided to exploit the oil by fixing platforms at each end with a revolutionary underwater manifold centre (UMC) in between.

Exploit

The UMC, described by Shell as "the world's most advanced underwater oil production system," was brought on stream in May. Here the electro-hydraulic control system has been provided by TRW Ferranti Subsea. Control signals are coded on the platform and transmitted to a safety repeater module on the UMC where the signal is retransmitted to the platform to be checked for completeness and accuracy. If everything is in order, an execute command is sent and the control signal is routed to its destination on the UMC or to a separate satellite well.

The UMC project, costing in total some £380m, is demonstrating the use of such sophisticated equipment in 500 ft of water. But the subsea equipment manufacturers are confident that they can help oil companies exploit fields in seas thousands of feet deep. Chevron, for instance, is to produce oil through a seabed well placed 2,700 ft below the surface off the coast of Spain.

The North Sea is likely to be a prime target for those marketing subsea well systems. One estimate suggests that just one large field—the Troll Field in the Norwegian sector—could need as many as 128 units. And each well can cost around £10m.

This potential is encouraging the UK offshore supplies industry. A recent report*, published by the Science Policy Research Unit of Sussex University, pointed out that UK companies had been "reasonably successful" in the subsea engineering market.

*Government Policy for the Offshore Supplies Industry, Britain compared with Norway and France; Lesley Cook and John Surrey; Science Policy Research Unit, Sussex University, Falmer, Brighton.

Platforms in BP's Magnus field: will undersea robots take over?

Point of sale

ICL's black box for shops

CORNER SHOPS will be able to build a computerised point-of-sale system for £3,200, now that ICL has announced a "black box" which can hook up its personal computer to up to four of its 9505 or 9507 electronic tills.

This link is made possible by a multiplexor and software which itself retails for around £600, designed for the company by Intec as a collaborative development and marketing deal.

Small traders will now be able to buy pos systems which can automatically look-up the price and description of a product, log the days transactions and dump all this information onto floppy disks which can be collected at the end of the day for about a tenth of the more powerful networked systems. More from ICL's retail dealers Solitaire KPG on 01-995 3573.

Networking

Digital's switch

ONE OF Digital Equipment's first Ethernet local area network products is the Delni, a device which can link together up to eight computer workstations.

Delni is a switching device which can network workstations together as a closed loop, say in one part of an office, or which opens them up to a larger Ethernet network around a building.

Any make of workstation can take part in these two networks by way of the Delni unit, so long as they have the ability to run DEC's version of the Ethernet software which runs them.

Several Delni units can be connected together, allowing a network of 64 terminals to be spread around a building.

BOND DRAWINGS

CITY OF HELSINKI
U.S.$15,000,000 8¾% Bonds 1981/1986

S. G. WARBURG & CO. Ltd., announce that the redemption instalment of U.S.$1,000,000 due 15th November, 1983 has been met by purchases in the market to the nominal value of U.S.$172,000 and by a drawing of Bonds to the nominal value of U.S.$828,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

8	20	33	39	68	74	80	116	152	201
307	315	326	487	628	647	756	830	848	1019
1077	1242	1303	1309	1316	1346	1494	1410	1430	1436
1467	1474	1485	1513	1521	1575	1803	1510	1517	1624
1632	1637	1645	1652	1958	1807	2008	2027	2056	2191
2169	2176	2236	2243	2331	2341	2360	2369	2393	2421
2439	2620	2633	2653	2690	3009	3015	3021	3030	3356
3361	3424	3431	3437	3464	3470	3477	3484	3494	3501
3508	3515	3522	3528	3591	3608	3917	3625	3631	3869
3706	3719	3725	3739	3752	3776	3928	3935	3943	4080
4150	4198	4221	4464	4472	4478	4485	4492	4499	4506
4515	4521	4532	4539	4547	4654	4573	4578	4585	4592
4600	4606	4614	4623	4631	4637	4646	4652	4659	4667
4679	4684	4703	4727	4733	4738	4747	4753	4761	4769
4775	4791	4792	4804	4811	4823	4830	4835	4853	4861
4877	4887	4894	4903	4809	4918	4964	4970	4978	5068
5097	5104	5137	5155	5192	5168	6176	5197	5195	5202
5209	5214	5226	5240	5266	5299	5327	5333	5354	5396
5421	5456	5494	5507	5514	5527	5534	5575	5581	5588
6596	5602	5713	5825	5849	5868	5965	5993	6002	6027
6038	6045	5061	6126	8132	6150	9157	5163	9101	5219
6235	5243	6248	8258	9264	6471	6479	6486	6492	6499
6507	6513	6521	8528	9534	6541	9549	6555	9563	6570
5582	6589	9596	6604	6613	6620	6627	5645	6651	6690
6666	8874	9680	6703	6706	9718	6724	9747	5762	9775
9786	9793	5801	6832	6849	6862	5869	6875	5900	9906
9013	9920	9945	6955	6961	8969	7039	7047	7054	7087
7100	7106	7114	7120	7131	7141	7149	7156	7195	7188
7210	7219	7325	7331	7339	7356	7370	7376	7384	7390
7549	7553	7561	7580	7591	7608	7615	7622	7629	7646
7660	7672	7689	7701	7707	7714	7722	7728	7734	7746
7755	7788	7795	7802	7808	7835	7843	7840	7857	7863
7870	7877	7885	7913	7924	7931	7939	7947	7955	7992
7969	7990	8007	8019	8035	8042	9068	8090	8096	8105
9112	9119	9130	8142	8148	9184	8181	8198	8204	8211
8218	8230	8230	8245	8251	8261	9268	9275	8283	8289
8300	8308	8394	8400	8407	8416	8421	8427	8435	8442
8450	8457	8463	8470	8478	8484	8492	8498	8505	8512
8519	9527	8534	8540	8548	8595	8602	8610	8615	8624
8629	8637	8644	8652	8660	8667	8685	8692	8899	8706
8715	8725	8732	8739	8753	8759	8767	8773	8781	8787
9798	8815	8821	8829	8844	8851	8859	8867	8874	8879
8891	8902	8910	8919	8925	8931	8964	8971	8977	8985
8992	8990	9005	9013	9020	9028	9036	9041	9048	9057
9064	9070	9079	9084	9092	9098	9106	9113	9191	9190
9196	9206	9219	9225	9270	9310	9383	9424	9435	9443
9457	9464	9471	9478	9485	9493	9408	0507	9513	9522
9528	9536	9552	9559	9652	9668	9684	9691	9709	9743
0750	0759	0769	0775	0782	9789	9797	9803	9812	9819
9834	9842	0848	9856	9862	9871	9876	9891	9899	9905
9913	9920	9927	9933	9941	9948	9955	9962	9968	9979
9891	9992	9999	10042	10049	10055	10079	10086	10096	10105
10111	10139	10147	10159	10192	10169	10179	10197	10442	10481
10490	10524	10530	10594	10602	10609	10619	10687	10969	10975
10984	10990	11004	11011	11017	11069	11075	11083	11090	11096
11105	11112	11118	11127	11133	11138	11147	11153	11191	11168
11175	11181	11188	11195	11203	11264	11273	11279	11292	11300
11322	11345	11792	11832	11864	11970	11944	11951	11958	11965
11072	11979	11986	12038	12056	12076	12085	12098	12105	12168
12195	12283	12290	12297	12304	12366	12373	12379	12393	12402
12422	12428	12439	12451	12457	12484	12490	12560	12566	12606
12648	12858	12701	12710	12719	12728	12776	12784	12839	12864
12869	13030	13037	13043	13058	13059	13083	13090	13099	13120
13225	13234	13239	13246	13254	13286	13292	13315	13321	13328
13335	13343	13349	13357	13384	13392	13398	13451	13459	13465
13470	13479	13485	13491	13500	13506	13513	13520	13527	13534
13542	13548	13555	13601	13610	13616	13623	13631	13637	13643
13652	13658	13664	13572	13678	13686	13693	13700	13707	13713
13720	13728	13734	13743	13748	13755	13763	13770	13776	13785
13791	13797	13804	13812	13818	13828	13833	13839	13846	13853
13861	13867	13876	13881	13888	13896	13903	13908	13917	13953
13961	13967	13975	13985	13992	13997	14006	14012	14020	14027
14034	14040	14098	14104	14112	14119	14126	14132	14140	14147
14154	14150	14199	14174	14191	14189	14241	14248	14255	14261
14269	14291	14299	14305	14310	14319	14325	14332	14340	14347
14365	14363	14369	14377	14384	14392	14397	14404	14412	14419
14425	14434	14439	14446	14454	14461	14468	14475	14481	14507
14513	14521	14528	14535	14541	14549	14555	14564	14570	14578
14584	14590	14597	14604	14612	14819	14626	14632	14840	14646
14654	14661	14667	14674	14682	14688	14696	14703	14708	14716
14744	14754	14761	14769	14774	14797	14796	14802	14809	14816
14823	14829	14837	14844	14852	14857	14865	14872	14878	14886
14893	14899	14905	14814	14920	14928	14955	14960		

On 15th November, 1983 there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB.,

or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 15th November, 1983 and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$4,000,000 nominal amount of Bonds will remain outstanding after 15th November, 1983.

The following Bonds previously drawn for redemption on the dates stated below have not as yet been presented for payment.

15th November, 1977

4	4626	5196	13084	14353	14466

15th November, 1978

41	642	4770	4805	4822	4836	5869	6043	6119	5751
7677	7997	9285	10106	12652	13080	14475			

15th November, 1982

12	262	1301	1491	2389	2954	3444	3510	3593	3711
3747	4463	4594	4744	4793	4828	4979	5132	5166	6031
6123	6764	6965	7796	8887	9938	10112	12557	13092	14115
14452									

30, Gresham Street, London, EC2P 2EB. 14th October, 1983

EUROPEAN COAL AND STEEL COMMUNITY
(E.C.S.C.)
5½% 20 YEAR BONDS OF 1964 U.S.$30,000,000

On October 5, 1983 Bonds for the amount of U.S.$1,943,000 have been drawn for redemption in the presence of a Notary Public at Kredietbank S.A. Luxembourgeoise in Luxembourg.

The Bonds will be reimbursed at par coupon No. 20 attached on and after November 15, 1983, against surrender of the Bonds at the office of the Paying Agents mentioned below, in accordance with the terms and condition of the Bonds.

Interest on the drawn Bonds will cease to accrue on and after November 15, 1983.

The drawn Bonds are those, NOT YET PREVIOUSLY REDEEMED, included in the range beginning at: 10060 up to 2736 incl.

Amount purchased on the market: U.S.$57,000

Amount outstanding: U.S.$2,000,000

Outstanding drawn Bonds

5048
5133 to 5136 incl.
5159
6230
6850
6585
7104 to 7109 incl.
7137
7275 and 7276
8438
8449
8451 to 8454 incl.
8533
8621
9128 to 9131 incl.
9197 and 9198
9805
11018
11090
11582 and 11553
11826
11847 to 11848 incl.
11851 and 11852
12137 and 13138
12177 to 13181 incl.
12241
12290 to 12293 incl.
12317
12346
12358 and 12359
12553 and 12554
12750 to 13754 incl.
12772 and 12773
12874 to 12580 incl.
12918
12974
13175
13281
13324 and 13325
13343 and 13344
13632 to 13636 incl.
13644 to 13646 incl.
13665 to 13675 incl.
13810
14128
14140
14144
14164
14445 to 14454 incl.
14455
14467
14475 and 14476
14489 and 14490
14502
14506
14525 and 14527
14712
14818 to 14824 incl.
14831 to 14837 incl.
14841 and 14843
14845
14869 to 14872 incl.
15151
16021
16059 to 16064 incl.
16231 to 16233 incl.
16244 to 16348 incl.
16248
16420 to 16423 incl.
16426 to 16428 incl.
16737 and 16738
16784 and 16709
17062
17069
17158 and 17159
17161 and 17162
17397
17523 to 17527 incl.
17591
17688 and 17989
17691 to 17695 incl.
17785 and 17786
17799
17840 and 17841
18199
18201 to 18203 incl.
18458 and 18459
18543
18575 and 18576
18579 to 18582 incl.
18628
18641
18654
18659 and 18660
18771 and 18772
18774 and 18775
18777
18996
19009
19135 to 19142 incl.
19151 to 19183 incl.
19203 and 19204
19215
19221 and 19222
19225
19232 and 19233
19268 and 19269
19285
19430 to 19434 incl.
19610 to 19619 incl.
19860 to 19889 incl.

The Paying Agents:
—THE CHASE MANHATTAN BANK N.A., Corporate Bond Redemptions, P.O. Box 2020, 1 New York Plaza, 14th Floor, NEW YORK, N.Y. 10081.
—S. G. WARBURG & CO. LTD., 30 Gresham Street, LONDON EC2P 2EB.
—KREDIETBANK S.A. LUXEMBOURGEOISE, 43 Boulevard Royal, LUXEMBOURG.

On behalf of the EUROPEAN COAL AND STEEL COMMUNITY

Luxembourg, October 14, 1983.

UK COMPANY NEWS

Empire Stores cuts losses to £0.6m midway

IN LINE with expectations last June, of Empire Stores (Bradford) a sharp improvement in results has been shown for the 28 weeks to August 13 1983. Pre-tax losses have been reduced from £1.87m to £666,000, and Mr Gratwick, chairman, predicts a return to profit at the year end.

Following a return to profits of £838,000 in the last second half, the directors predicted an improvement in trading performance with a return to profit for the year. They expected that, in line with the seasonal trading pattern, a small loss would be incurred in the first half.

The first indication of Christmas orders for the current year is good, say the directors.

There is again no interim dividend—the directors expect to pay a small final when the year's results are known. Last year the final was cut from 1.35p to 0.1p net. For the half year losses per 25p share were shown as falling from 6.03p to 2.04p.

Mr Gratwick says that the increase in sales reported at the annual meeting in June has been sustained and at £73.9m for the half-year is an increase of nearly 7 per cent on the £69.18m made last time, despite a reduction in agency strength of about 1 per cent as a result of tighter controls.

However, the group has also continued to experience a sales mix weighted to consumer durables and furniture, where the gross margin is not so favourable.

The issue of the Autumn/Winter catalogue in July coincided with the hot weather, which Mr Gratwick says was not conducive to selling autumn merchandise. However, following a change in the weather, business showed a marked improvement.

The finalisation of an agreement between Empire and Great Universal Stores is awaiting the outcome of discussions with the Department of Trade and Industry and the Office of Fair Trading. It was decided last January that a proposed merger would be against public interest.

In the meantime Mr Gratwick says that an enhancement of an existing agreement with CCN Systems (subsidiary of Great Universal Stores) has been agreed covering additional support in the areas of recruitment, bad debt and credit control.

At the trading level there were profits of £113,000, against losses of £967,000, from which interest took £699,000 (£902,000). There were exceptional debits of £80,000 (£99,000), related to the proposed merger with Grattan. There is again no tax charge.

● **comment**

The mail order business has gone through a traumatic couple of years and the expected return to the black of Empire Stores at the end of the year, probably to the tune of £1.5m, pre-tax, is heartening news. Since Empire rejected the merger with Grattan it has agreed a most productive link with GUS over the control of credit, bad debt and recruitment. Another agreement on agency administration is pending. The outcome of the GUS/OFT discussions might throw some light on the pace at which GUS will be required to reduce its shareholding from the present 29.9 per cent to 9.9 per cent. A sudden large sale overhanging the market would not necessarily be good news for shareholders. The shares closed 4p down at 66p.

HIGHLIGHTS

Lex looks at the disposal of the Mirror Group from within Reed due early next year at a price which will probably be somewhere over £80m. The column then goes on to comment on the latest figures from Coats Patons which has produced a respectable set of interim figures despite the severe downturn in South America. Midland Bank is raising $400m of U.S. debt and Lex ponders the fact that it has been received with a credit rating below that of Barclays or National Westminster in New York. Finally the MFI rights issue comes in for review. The terms have been pitched on a one for seven basis to raise close to £29m to fund physical growth.

Retail trading buoyant at Dixons Group

Current trading at Dixons Group was extremely buoyant, especially in the retail division, Mr Stanley Kalms, chairman, told members at the annual meeting. He said that results for the year would be highly satisfactory.

In his last statement the chairman had predicted that shareholders could look forward to an excellent year.

Mr Kalms said that a 6-for-25 rights issue, aimed at raising £21m to help finance the next phase of expansion, had been more than 94 per cent subscribed.

The group had recently acquired 16 *Orbit hi-fi* and video shops for £8m. The shops had been converted into Dixon outlets.

The acquisition for £4m of Colortrend Holdings, which would complement the existing film processing division, would be completed at the end of the month.

Shires Investment

At the half year ended September 30 1983 net asset value of Shires Investment was 171.55p. This compares with 149.14p a year earlier and with 156.2p at March 31 1983.

Net revenue in the 1983 half year amounted to £141,951, against £155,245, after tax of £73,625 (£70,608), for earnings of 5.64p (6.17p). The interim dividend is held at 3p net per share.

54% growth gives Farnell £7m midway

EXPANSION continues at Farnell Electronics, electronic component distributor and equipment manufacturer. In the half year ended July 31, 1983, turnover has shown an advance of nearly 40 per cent, from £19.42m to £27.08m, while profit before tax has shot up by 54 per cent, from £4.52m to £6.98m.

To reflect the profit increase and to reduce the disparity between payments, the interim dividend is being boosted from 0.75p to 1.2p net. Last year's final was 1.25p.

Although the main part of the turnover growth, in percentage terms, has been in the manufacturing companies, the component and consumer distributions have added their share to the rise.

Profitability has continued to increase at a greater rate than the turnover rise, and the directors expect this to continue for the rest of the year although perhaps not at the same rate.

This is due largely to the continued predominance of the more profitable small quantity orders being processed by component distribution, and the benefits beginning to emerge from the very considerable capital investment in buildings and production equipment.

The second phase of the Boroughbridge factory is in the final "fitting out" stage and a start has been made on a smaller unit on the same site. A further factory of 8,000 sq ft has been purchased on the Sandbeck Estate in Wetherby. This will be used for storage, thereby enabling the present factory to extend its manufacturing area.

After tax £3.63m (£2.35m) the half year's net profit came out at £3.35m (£2.17m). Earnings are 5.4p (3.5p) and the dividend absorbs £747,000 (£466,000). For the whole of the year ended January 31 1983 the group turned in a profit before tax of £10.44m (£7.81m).

● **comment**

Farnell Electronics is riding on the back of the current industry wide boom in electronic components. The high level of demand for semi-conductors and other components from the defence, telecommunications and computer sectors has enabled prices to be maintained (where as normally semi-conductor prices are expected to fall) and has kept margins high. The manufacturing side is continuing to grow in importance within the group as Farnell's bench power supplies are increasingly required in products like telecommunication switchboards and mini-computers. The group has cash reserves of around £12m available and may well try to pick up one or two smaller component manufacturers which it can slot into its existing operations. With price rises coming through in the second half and if the increase in volume is maintained pre-tax profits could reach £15.5m. Pessimism within the electrical sector affected Farnell shares yesterday as they dropped 5p to 320p giving a prospective p/e ratio of 26.6 fully taxed.

OEM held back by strong competition

WITH A contribution from the associated company and an interest credit, Office and Electronic Machines has pushed up its profit from £1.14m to £1.21m in the half year ended June 30 1983.

Turnover of the group, which distributes electronic typewriters, word processors and related equipment, showed an increase from £12.78m to £13.24m, while the operating fell from £1.14m to £1.02m. However, there is a contribution this time of £123,000 from the associate and a net interest credit of £64,000, against a £2,000 charge.

Mr W. F. Gardiner, chairman and managing director, says the office equipment industry is experiencing the effects of continuing change brought about by the constant updating of products to allow for the demands of Information Technology.

After tax £512,000 (£480,000) the net profit for the half year came out at £693,000 (£650,000) for earnings of 11.32p (10.61p) per share. The interim dividend is held at 2.5p; for the whole of last year the total was 7.5p paid from pre-tax profits of £2.12m.

● **comment**

The first full six months contribution from OEM's screentyper plus a small interest credit left group profits up only 5.7 per cent on the comparable period, but 23 per cent up on the previous half. Screentyper is the star player in OEM's move to supplement its dependence on conventional office supplies, but the Orion business computer has not done nearly so well. Profits in the non-screentyper divisions were down nearly 11 per cent and operating margins slipped a point or so in a highly competitive market. OEM normally likes to perch at the top end of the market, but has now been forced to restrain price rises below the increase in overheads. It is notable that Triumph-Adler, which holds 11.6 per cent of OEM and provides 75 per cent of its supplies, has not been tempted to participate more closely in the group's moves into computer related fields. OEM has had to go to elsewhere to find manufacturers for Orion and screentyper. Perhaps TA just wants to see how they perform before reviewing its own product strategy. Meanwhile, OEM looks on target for a repeat performance in the second half, pointing to a pre-tax profit of £2.4m for the year. At yesterday's price of 223p, the shares stand on a multiple of 9.8, assuming a 43 per cent tax charge.

Strong recovery midway for BSG

COMPARED WITH a first half profit last year of £216,000 and losses totalling £1.29m for the whole of 1982, BSG International, vehicle components, accessories and distribution group, came back strongly in the six months ended June 30 1983 with a taxable surplus of £1.58m.

Directors say they have sufficient confidence in profitability for the rest of the year to lift the interim dividend from a nominal 0.1p to 0.35p net per 10p share—last year's final was omitted.

Mr H. A. Whittall, chairman, said in his 1982 annual review that the company was showing a profit, for the first four months, greatly in excess of anything since 1979. In June, he added that this progress had continued and that he would expect the first half's pre-tax figure to be in excess of £1m.

Turnover for the six months expanded from £131.1m to £146.5m which included £107m from vehicle distribution, and the balance from manufacturing.

Trading profits amounted to £3.86m (£2.9m)—some 60 per cent from manufacturing—and the pre-tax figure was after interest charges, lower at £2.28m (£2.65m), and an associate loss of £32,000 last time.

After tax, £150,000 (£209,000), minorities, £126,000 (£112,000) and extraordinary debits of £103,000 (£290,000), the attributable balance emerged at £1.2m, compared with losses of £395,000.

Earnings per share were 1.98p as at June 30, against 0.16p losses.

● **comment**

BSG has been making optimistic noises for some time, so good first-half results were always in prospect. In common with most other vehicle distributors, BSG's car sales have been extremely buoyant—but at the expense of margins. So, most of the latest improvement came from the manufacturing side, where the new contracts with Ford and BL have made timely contributions. Another factor must be the benefits from the rationalisation of the past few years. But while BSG seems to be tackling the trading side of the business, there has been virtually no progress on bringing down the uncomfortably high level of debt—currently standing at around one and a half times shareholders' funds. To be fair the company cannot be faulted for lack of trying; it has made several attempts to sell property but it is difficult to realise anything above book value. That leaves only one other likely course of action—a rights issue. This could come after the year end, when there should be a little more evidence to show that the current trading upturn is not another flash-in-the-pan. Full year profits could be £2½m pre-tax. The shares rose ½p to

MFI making a £29m cash call

BY CHARLES BATCHELOR

MFI Furniture Group is to make a £28.6m rights issue—its first ever—to fund the further expansion of its 121-strong chain of stores.

It will issue one new share at 120p for every seven already held. This represents a 21p discount on the share price ahead of the announcement although the shares fell 11p yesterday to close at 130p.

MFI chairman, Mr Arthur Southon, who will take up only part of his allocation of new shares, said that trading had "continued to be most satisfactory" since the shareholders' meeting in mid-September.

Mr Edward Lea, finance director, said: "We will be opening branches in areas where we are not represented or are under-represented and we will relocate some of our stores.

"We are noticeably under-represented in the Greater London area and the South-East. We have 12 stores now but we could quite happily double that number."

MFI plans to increase its trading area by 500,000 sq ft to 3.5m by May 1984 and by a similar amount by May 1985. A further 30 new openings and a similar number of relocations are likely within the foreseeable future after that date.

The rights issue has become necessary because MFI's expansion will be more rapid than ever before, according to Mr Lea. It spent £48m in the three years ended May 1983.

With loans of £12m at the last balance sheet date in May, the rights issue cash will more than eliminate borrowings.

MFI estimates it has about 10 per cent of the total furniture market and up to 25 per cent of the self-assembly market.

Mr Noel Lister, chief executive, will take up 1m shares out of his 2.16m entitlement, while Mr Southon will take up 125,000 of the 313,000 entitlement.

The company has grown rapidly by concentrating on the sale of kitchen and bedroom furniture sold in pack form for assembly at home. Pre-tax profit rose from £13.8m to £30.4m in the five years to 1983 on turnover up from £87m in 1978 to £246m.

The issue has been underwritten by County Bank. Scrimgeour Kemp-Gee is broker.

Mowlem over £4m as associates recover

FIRST HALF pre-tax profits at John Mowlem and Company, construction group, improved by £700,000 to £4.1m, and this included associates' profits of £500,000 against losses of £100,000. Turnover in the six months to June 30 1983 rose from £138m to £156m.

The interim dividend is raised from 2.1p to 2.2p—last year's total was 10.5p from pre-tax profits of £8.5m.

Earnings per 25p share were 11.9p against 11.3p.

After higher tax of £1.4m (£1m) and extraordinary debits this time of £800,000, attributable profits were slightly lower at £2.2m compared with £2.4m.

Mr Philip Beck, the chairman, says further progress, as a group, has been made, and the present outlook indicates that progress will continue.

● **comment**

The technology division of John Mowlem is gradually expanding with the £16m acquisition of Buehler, a U.S. laboratory equipment manufacturer, completed in March. Buehler is expected to exceed the £2.3m profit contribution forecast at the time for the deal bringing profits for the year to around £10.5m. In the first half the associates came up with a strong result, mainly from Mowlem's contracting business in Australia. Competition in the mainstream construction business resulting in some slight shaving of margins. In the UK, which accounts for around 80 per cent of turnover, the retail sector has proved the most active and chairman Philip Beck appears satisfied with the order book. Overseas, the Falklands Islands deal will not begin to feature until the next financial year while the company is hopeful of some further contracts arising out of the U.S. Navy Diego Garcia project. It is tendering for a number of other overseas contracts at present. The increase in the interim is likely to be repeated at the year end to give a total of 11p net per share for the year which at 188p yields 8.5 per cent.

Streamlining benefits for Time Products

REFLECTING the reorganisation of Remex in Hong Kong and a modest upturn in UK trade, Time Products has wiped out its massive losses and for the half year ended July 31 1983 has turned in a profit of £31,000.

The directors do not propose an interim dividend, as last year, but will review the position in respect of a final when the full year's figures come to light.

In the UK turnover for the half year came to £11.34m (£10.62m), and there was a loss of £446,000 (£468,000) before crediting interest of £14,000 (£123,000 charged). In Hong Kong turnover totalled £10.75m (£13.52m), and the profit surged from £603,000 to £1.51m before interest charges down to £1.05m (£1.66m).

The group makes and distributes watches and clocks, and retails jewellery. Mr Marcus Margulies, chairman, says considerable efforts have been made in Hong Kong; figures to date are in line with budgets and further repayments have been made to bankers. However, the state of the Hong Kong economy makes it unwise to give projections.

There are no charges for group tax, minorities, nor extraordinary items in the half year. In the corresponding period minorities were £22,000 and extraordinary charges £2.2m to give a total loss of £3.88m.

● **comment**

In trading terms Time Products is a real Jekyll and Hyde. In Britain it has a solid jewellery retailing business which makes losses most of the year and enjoys a Christmas bonanza. Ten per cent of sales come in the week before December 25. But overseas Time has its own brand of Mr Hyde—the once highly profitable Hong Kong business which has turned into a disaster. A year ago Time's UK management woke up to what a dreadful mess Hong Kong was in. Local bankers were getting a firm grip on the proverbial rug ready to pull. Ironically if that discovery had been delayed Time's modest involvement in the colony's economic plight might have passed without harsh comment, even though it was mis-management rather than anything else which crippled the business. In the first half Time can claim some success. Trading profits in HK covered interest charges one-and-a-half times and the bankers are gradually being paid off. Yet with rates moving against it headroom between financing costs and trading profits is narrowing. Dubious HK assets are almost equal to local debt but Time feels no qualms about leaving local bankers in the lurch should it need to. So the possible damage to the parent balance sheet is limited to £300,000. At 19p Time has a great deal of adverse sentiment to overcome before it can hope to be rerated as a High Street retailer with a Hong Kong gamble thrown in for luck. It hardly deserves such a change of heart yet.

BOARD MEETINGS

TODAY

Interims: Allebone, Barr and Wallace Arnold Trust, Hemmerson Property Investment and Development, Lee Cooper, Photax (London), Prince of Wales Hotels, Roberts Adlard, Scottish Heritable Trust, Thurgar Bardex, UEI.

Finals: British Empire Securities and General Trust, Ronshnugh.

FUTURE DATES

Interims—	
Border Breweries (Wrexham)	Oct 26
Dupont	Oct 19
Garrard and National	Oct 20
Hill (Philip) Investment Trust	Oct 27
Midsummer Inns	Oct 21
Nineteen Twenty-Eight Inv Tst	Oct 27
Property Partnerships	Nov 18
Secs Trust of Scotland	Oct 18
Tysons (Contractors)	Nov 7
Wace	Oct 25
Finals:—	
Baggeridge Brick	Dec 6
Ramus	Oct 18
TSW—Television South-West	Oct 18

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BSG Intl.	int.	0.35	Dec. 30	0.1	—	0.1
Clive Discount	int.	1.4	Nov. 23	1.3	—	3.2
Coats Patons	int.	1.5	Dec. 30	1.4	—	4.2
Druck Hldgs.		1.5†	Nov. 28	1	2.6	1
Empire Stores	int.	nil	—	nil	—	0.1
Farnell Electronics	int.	1.2	Nov. 30	0.75	—	2
Highland Electronics		1.5	Jan. 6	1	1.5	1
Maurice James	int.	0.6	Jan. 9	0.5	—	1.25
John Mowlem	int.	2.2	Jan. 4	2.1	—	10.5
Office & Electronic	int.	2.5	Dec. 5	2.5	—	7.5
C. H. Pearce		3.5	Jan. 12	3.25*	4.92*	4.67*
Photo-Me Intnl.		6.3	Dec. 9	6.3	9.45	9.45
Shires Investment	int.	3	Jan. 27	3	—	11.8
F. W. Thorpe		1.85	Dec. 8	1.65	3	2.7
J. O. Walker	int.	1.5	Jan. 3	1	—	3.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

UK COMPANY NEWS

Coats Patons 30% ahead to £33.8m

A 25 per cent downturn in South America was more than offset by considerable improvements from all the group's other regions and for the first six months of 1983 taxable profits of Coats Patons, cottons, yarns, fabrics concern, moved ahead from £26m to £33.8m, a rise of 30 per cent.

Directors say that trading conditions, apart from South America, are encouraging in all regions. They explain that during periods of high inflation and devaluation South American profits have a much greater effect on Coats' second-half figures, with the result that overall profits for this period will be lower than the same period in 1982.

Profits amounted to £50.9m for the final six months of 1982 giving a £76.9m total, pre-tax.

Directors add, however, that if present trends in the UK, U.S. and Australia continue, overall performance for 1983 should be satisfactory.

Sales at midway 1983 were £501.7m, compared with £394m and exclude those of the Venezuela company, now an associate. This change, together with the disposal and closure programme in diversification, leaves sales value 4 per cent ahead for current business, and is attributed to OECD exchange movements.

Volume was held overall, directors say, and prices have moved ahead in most parts of the world, but the sharp effect on sterling of South American currency devaluations "represents a reduction in the value of our sales in Europe equivalent to 3 per cent of total group sales."

The severe downturn in profits from South America, which included some loss of volume but not market share, reflects action taken by the South American governments in their attempts to resolve their external payments difficulties through deflation of economic activity.

The directors add, however, that the financial base of businesses in the region is satisfactory under the prevailing circumstances.

Group trading profits increased by 21 per cent from £31.4m to £38m, after depreciation of £9.1m (£8.3m), with margins at 9 per cent, against 8 per cent. OECD exchange movements added £3.1m to profits, directors point out.

Interest charges were down at £7.1m (£8.9m), principally because of an improvement in gearing achieved in 1982.

After tax of £12.9m (£10.2m) earnings per 25p share are shown as 6.8p (5p), and the interim dividend is lifted from 1.4p to 1.5p net—last year's final payment was 2.6p.

Minority interest took £2.2m (same) and after much higher extraordinary debits, £6m (£2.2m), the available balance came through £1.3m up at £12.9m. Dividends will absorb £4.2m (£3.9m).

The extraordinary items represent the costs which are being incurred during the period arising from reorganisation and closure programmes in the UK and Europe, and amount to about half of the level anticipated for the full year.

See Lex

J. Maunders ahead of forecast

John Maunders Construction, the Manchester-based private housebuilder, pushed its pre-tax profits up to £969,000 for the year to end-June 1983, thus topping the forecast of £950,000 made at the time of the offer for sale of 43 per cent of the group's shares last June.

An "encouraging" start has also been made in the current year and "satisfactory" trading results are looked for over the full 12 months—pre-tax profits for 1981-82 amounted to £689,000.

For the year under review turnover expanded from £7.37m to £10.34m and operating profits rose to £1.21m (£821,000) before interest of £237,000 (£132,000).

Tax accounted for £218,000 (£19,000) to leave attributable profits of £752,000 (£670,000).

Earnings totalled 16.7p (14.9p) per £1 share. A dividend of 1.1p (1p) was paid in June.

Utd. Newspapers

The £30m rights issue by United Newspapers has been taken up as to 91 per cent. The balance of 1.32m shares has been placed in the market with net proceeds equal to 12.1p per share.

Druck rises 26% to £1.04m

AN INCREASE of 26 per cent from £821,000 to £1.04m in pre-tax profits is reported by Druck Holdings for the year to June 30 1983, and the directors say this is as a result of satisfactory growth being maintained throughout its product range in the UK and most areas of the world.

Turnover of this electronic pressure measuring device manufacturer rose from £2.94m to £4.23m. Both the UK and export sales increased such that the percentage of exports sales of approximately 40 per cent was about the same.

Nevertheless, say the directors, the indication is that progressively the export sales will become a larger proportion. This is as a result of the extra effort and support that its sales team has been giving to the subsidiaries and agents overseas.

After tax up from £304,519 to £372,557 attributable profits rose from £418,645 to £664,035—there were extraordinary debits last time of £97,987.

The final dividend is raised from 1p to 1.5p for a total up from 1p to 2.6p. This absorbs £163,500 against £62,500, leaving £501,535 (£356,145) for transfer to reserves.

Earnings per 5p share improved from 8.3p to 10.6p before extraordinary items, and from 6.7p to 10.6p after. The company's shares are traded on the Unlisted Securities Market.

Mr John Salmon, chairman and joint managing director, says the continued organic growth in the UK has once again stretched the company's resources to the full, and much effort has been needed to provide extra space, people and equipment.

Looking to the future, he says it has started to rationalise the product range in order to assist sales order processing, reduce production costs and also cut stock levels of finished goods.

He says the development department is still very active and has been expanded to include more prototype work. Excluding new plant, equipment and any overheads, he estimates that during the year £250,000 was spent on research.

Highland Electronics at £0.5m

WITH SECOND HALF pre-tax profits improving from £107,122 to £306,483, Highland Electronics Group reports profits up from £145,237 to £507,193 in the full year to April 30 1983. This represents an increase of 250 per cent. Comparatives have been restated for an under provision for creditors.

The dividend is raised by 0.5p to 1.5p net, and earnings per 20p share rose from 0.65p to 3.19p.

Turnover of this manufacturer of electronic components was £9.39m compared with £8.89m.

Trading profits were up from £145,000 to £506,000 and investment income was higher at £1,000 against £400. There was an extraordinary debit of £10,000—last time there was a credit of £142,000.

The extraordinary debit is costs associated with property disposals, less the profit on disposal (in 1982 profits exceeded costs).

Mr Michael Cohen, the chairman, says the 1983-84 order book is good, and an increase in profit is expected for the current year.

He says considerable interest is being shown worldwide in acquiring the company's microprocessor-based alarm technology and the company is actively involved in negotiations on this.

Further investment is planned in sophisticated production and design equipment, and in enlarging its production facilities to meet a growing demand for its products and services.

New products currently under development in its laboratories will assure continued future growth, says Mr Cohen.

Winding up orders against 200 companies

Compulsory winding up orders against 200 companies were made by Mr Justice Nourse in the High Court. They were:

Kentish Caterers, Zoneplan, Dovergold, Runeport, Broadacres (Distributors) and L. Boot.

Heatweld and Company, Tyne Tees Plastics, Pernoon, Pulman Properties, Printing House Properties, and Rent and Management.

Micon International, Hill and Cantle, M. F. Claddings, Kierhill Construction, Thornet Co-Owners Association, and Sealaproof.

Astonmere, Ellison (London), Chuskindon, Star Colour Slides, Taber Productions, East Cheshire Contractors, and Cromwall Fabrications.

Kristian Coiffeur (Potters Bar), Masterlevy, Steadcourt, Cave DIY Marketing, Covent Garden Nurseries, SR Transport (Chiswick), and Humbergrove.

J. S. Masters, Dennis Walls Cinemas, Datawell, Mellor Packaging, Styford, Steadman, and Lancer Security.

Look Pan Toys, Regal (Walsall), W. N. (Orange Spot) Catering Equipment, and Galaxy Window Co.

Truckin 2000 (Lincoln), Electronic Office Services (UK), Plant Music, Lodex, Industrial Alkaline Batteries, Harvest Bakery (Forth), and Paul's & Co. (Northampton).

S.A.K. (Newport), Prospereed, Luxury Apartments, MEK (Print Marketing), J.C.H. Shopfitters, Brockwell Mosaic Company, and Butler Heating Associates.

Lattengate, Silktown, Whitehawk Metal Products, Spanrange, Saxwake, J. & J. Regent Upholsterers, and Gondolane Properties.

Dance Trading, P.M.C. Building Contractors, Supersnacks (Harrow), Valco Draughting, and Quinred (General Engineers).

Budget Packaging (Calderdale), Bajamar Compania Naviera SA, Vasectomy Club International, Kingfisher Communications, Markstem, and Bertie Product Marketing.

Kelt & Company, S. Bellamy, Denys Becher, Penarth Research, Sovereign Estates, Beeton Brothers (Anglia), L. A. Parkin, Woodworm and Dampcourse Protection, Cobbeydale Properties, and Donovan Plant Hire.

Geldfern, Mildstar, Early Clean Company, Mehta Fashions, Plowrest, Dowershaw, Surreycrest, Oaklands, Baron De Cressey, and Gradefane.

Home Counties Office Machines, L. D. King (Devon), Vectoram, Andrew Miles (Extensions), Lynch & Humphrey, Gliddon Advertising (UK), Calverstone Headdress, Donshu Footwear, and The D'Este Company.

Frytastic, Global Video Supplies, A. E. Monsen (Par), BDP Motors, Shanzad, V.L. Fashion Imports, and Zehra.

Chezgale, Lala Trading Company, Barrie Roberts (Newark), Henry Wallwork & Co., Subway Club, Sheridan 1980, Executive Designs, Apex Clothing, and B.T.L.S. (Stockport).

Chantals Manufacturing and Wholesale Company, H.D. Plant Hire (Port Talbot), Pallet-Boss, Lorneglen Haulage, Ross-Mattey Associates, Bull and Orion, Treatglen, Capebond, and Raca and Partners.

Al-Aqsa, Nelson Engineering Supplies, Payswater Construction, Ambassador Windows, Hinkmay, Michael J. Tattum (Energy Surveys), and Bank Street Securities.

Canterbury Scaffold Company, Dawn Sales (Wood Products), Stringvale, Gandhi Grocers, Budgetworth, P. J. Fnich & Son, Sign Services Company (H & K), B. & B. Plastics, and Micropost.

Hampstead Car Stereo Centre, Peirson Holmes Petroleum Services, Dalemont Transport, Pips Fashion Imports, P. Russell Plastics, Waterbrook, Talaton, and Honaydown Electronics.

Enterprise Technical Services (Hitchin), Progressive Computer Services, Rivalgold, Good Clothes, Dennis Price Properties, Banderlight, and Gripward.

Helamay, Montonfort, Skivvies Cleaning Services, London Drivers Supply Service, Autovance, Dicedale, Cyport, Golden Cross Hire, Kirbar (Marketing), and Colville Finance.

A. J. Associates, Goodrum Transport Services, Simdo Advisory Services, Winterton Properties, Finpack (London), Mid Angle, and Pendleworth.

Garton Shopfitters, B. B. Patches, Colin Leedham, Salter Instrument Consultant, Acetone Consumer Electronics, Grazeroy, New Theatre and Opera Cleaners and Oasis (Washington).

Land Freight Transport Services, Viraworth Manufacturing Company, Fortale, David Larkin (Building Contractors), Ployrest, Foreman Construction, Denelight, Arthur Webb and Sons (Construction), B. and J. Pullman (Retail), and Balfour Engineering Services.

Wildfinch, Conference Productions London, Valueprofit, Oceanie Tours and Travel, Williams Clinch, and Jackson and Booth Services.

Profits fall at Clive Discount: payout up

Profits for the six months to the end of September at Clive Discount Holdings are below those for the corresponding period last year, say the directors. However, they say that the comparable profits were exceptional and that half year profits were still "very satisfactory."

The net interim dividend of this discount house has been lifted from 1.3p to 1.4p—in the last full year, a total of 3.2p was paid.

Bellair Cosmetics

Pre-tax losses of Bellair Cosmetics, toiletry and cosmetic manufacturer, were reduced slightly from £142,000 to £138,000 for the six months ended April 30 1983, giving a per share figure of 5.43p, against 5.58p.

The directors say that the acquisition of a majority holding in the company, by Wasskon Establishment, is not likely to have any significant effect on trading during the second six months.

First half turnover fell from £1.14m to £963,000 and there is no tax (same).

F. W. Thorpe ahead

Pre-tax profits of F. W. Thorpe, which manufacturers the Thorlux range of lighting equipment, rose from £650,681 to £921,803 for the year to end-June 1983 with the second six months' contribution up from last time's £354,339 to £555,802.

Earnings expanded by 3.8p to 16.3p per 10p share and an increased final dividend of 1.85p (1.65p) raises the total from 2.7p to 3p net.

Turnover included exports of £1.27m (£1.02m).

IN BRIEF

WHITWORTH ELECTRIC (HOLDINGS)—Results for year to March 31, 1983, reported September 3, with prospects. Group shareholders' funds £4.55m (£4.24m). Fixed assets £1.2m (£1.12m). Net current assets £3.32m (£3.05m). Working capital increased £267,579 (£78,338 decrease). Meeting, Great Western Royal Hotel, W, October 28, 3 pm.

JOS HOLDINGS (Investment trust)—Results for year ended July 31, 1983, reported August 24. Investments £6.76m (£4.45m). Unrealised appreciation £2.92m (£1.26m). Looking to future, the chairman feels it would be unrealistic to expect the same rate of capital progress made in the year 1982-83. Meeting, 20 Fenchurch Street, EC, October 31, noon.

INDUSTRIAL FINANCE AND INVESTMENT CORPORATION (banking and other financial services USM listing)—Results year ended June 30, 1983, reported September 21 with review on trading and views on prospects. At June 30, group assets totalled £3.49m (£3.19m). Shareholders' funds were £1.26m (£1.01m), current, deposit and other accounts £1.05m (£1.25m). Liquid assets £1.45m (£1.46m). Meeting, 81, Coleman Street, EC, October 31 at noon.

PARKER KNOLL (manufacturer and supply of furnishings)—Results for the year to July 31 1983 and prospects reported September 27. Group shareholders' funds £14.71m (£13.99m). Current assets £12.15m (£11.13m), including stocks and work in progress £7.87m (£5.19m). Current liabilities £6.62m (£4.99m), including creditors and provision £4.83m (£3.23m). Fixed assets £9.58m (£7.86m). Decrease in liquid funds £2.22m (£1.83m increase). Meeting: New Berners Hotel, W, November 8, 12.30 pm.

CANTORS (retailer of furniture, carpets and bedding)—Results for the year to April 30 1983 reported September 7. Group shareholders' funds £4.47m (£3.61m). Fixed assets £3.44m (£3.72m). Current assets £9.37m (£9.68m), current liabilities £6.48m (£5.04m). Increase in cash and bank balances £818,862 (£79,259 decrease). Meeting, Sheffield, October 27 at 12.30.

ARTHUR HENRIQUES (clothing manufacturer)—Pre-tax profits for 26 weeks to July 1 1983 unchanged at £71,000; turnover £2.27m (£2.38m); tax £37,000 (£26,000); extraordinary credit £54,000 (debit £18,000), being factory closure and sale. Interim dividend 0.5p net (same); earnings per share 0.43p (1.14p). Chairman says liquid resources remain strong. The planned growth in turnover following the increase in costs will not arise until later, and will inevitably affect the full year's results.

NORTH BRITISH CANADIAN INVESTMENT—Interim dividend 1.9p (1.75p). For six months ended August 31 1983 profits were £324,428 (£253,538) subject to tax £96,624 (£73,057). Percentage rise is partly due to dividend receipt and should not be taken as a guide to that of full year. Franked income £324,094 (£222,318), unfranked £41,000 (£46,804). Earnings 3.33p (2.41p). Net asset value 181.7p (137.3p) per share.

JAMES WALKER GOLDSMITH AND SILVERSMITH—Results for the year to April 30, 1983 reported September 23. Group shareholders' funds £22.51m (£22.17m). Fixed assets £12.33m (£14.46m). Current assets £17.5m (£17.35m), current liabilities £9.3m (£8.36m), including bank overdrafts £2.36m (£3.02m). Increase in net working capital £820,000 (£2.21m decrease). Compensation to directors for loss of office £25,000 (nil). Trustees of Sidney Sanders Trust hold 18.2 per cent of share capital. Meeting, 1, Glanagle Road, SW, October 27, noon.

A. J. WORTHINGTON (HOLDINGS) (producer of sewing threads, narrow textile fabrics, and braids)—Results for year to March 31 1983 reported on September 20. Shareholders' funds £919,245 (£1.2m); fixed assets £472,833 (£533,957); current assets £1.16m (£1.33m); current liabilities £646,176 (£543,848); net current assets £616,481 (£781,167). Decrease in working capital £66,621 (£22,794 increase). Meeting: Leek, Staffordshire, October 26, at 11 am.

SAVE AND PROSPER STERLING DEPOSIT FUND—Results for year to August 31 1983: dividend 1.08p (same) net income £70,765 (£27,165); income available £75,363 (£31,283).

J. O. WALKER AND CO (timber importer)—Turnover £4.31m (£4.11m) for half-year ended June 30 1983. Pre-tax profit £121,000 (£73,000). Tax £32,000 (£11,000). Earnings per 25p share 11.1p (7.6p). Interim dividend 1.5p (1p) net. Directors hopeful of small profit for whole year provided increase in turnover can be maintained.

DERBY TRUST—Based on unaudited figures at September 30 1983 total value of portfolio was £27.96m (£27.72m at June 30 1983) and assets attributable to capital shareholders were £22.8m or 888.25p per capital share (£22.86m or 886.25p at June 30).

BONUSBOND HOLDINGS (bond issue and redemption company)—Turnover £3.9m (£3.56m) for the half-year to June 30, 1983. Pre-tax loss £23,000 (£83,000 after exceptional debit £130,000). Tax £2,000 (£3,000) and loss per £1 share 0.73p (2.47p). Directors hopeful of small profit for whole year provided increase in turnover can be maintained.

LONDON SUMATRA PLANTATIONS (88 per cent-owned subsidiary of Harrisons and Crosfield)—Turnover £10.38m for first six months of 1983 against £10.11m. Taxable profits £3.53m (£2.26m). Tax £1.76m (£583,000). Earnings per 10p share 11.14p (10.55p).

C. H. Pearce advances to £2.8m for year

AN INCREASE in pre-tax profits has been shown by C. H. Pearce & Sons from £2.72m to £2.83m for the year to the end of May 1983. The directors say that the group is continuing to trade profitably in the current year.

Turnover of this builder and contractor expanded from £29.33m to £35.27m.

At the halfway stage pre-tax profits slipped from £1.38m to £1.3m, but the directors said that they would be disappointed if the year's profits were lower than those for the previous year.

The net final dividend has been lifted from the equivalent of 3.25p to 3.5p, which makes an effective rise in the total from 4.6667p to 4.918p, after allowing for a two-for-one scrip in May. Earnings per 25p share fell from 207p to 165.6p.

Shareholders' funds increased from £11.65m to £17.88m.

At the end of May an internal valuation on properties held for investment showed a surplus of £4.4m, which has been carried to reserves.

Maurice James Inds. up to £501,000 halfway

FIRST HALF profits of Maurice James Industries reflected measures taken to increase trading and rose by £319,000 to £501,000 at the pre-tax level and it is confidently expected that increased levels of activity will be maintained through the remaining six months.

The chairman believes that recent reorganisation will allow the group to maximise opportunities which arise through the wider geographical base of its operations and through the wider geographical base of its operations and through the ability to provide a variety of different services to the existing customer base.

Earnings for the six months, to end-June, 1983, moved up to 2.3p (0.7p) per 10p share and the interim dividend goes up marginally from 0.5p to 0.6p—a final of 0.75p was paid last year.

The results incorporate those of Roche Service Group, recently acquired, for the whole period in accordance with current accounting practice.

Earnings were calculated on the capital as enlarged by the new shares issued as consideration for Roche. Comparisons were not restated but had the results of Roche been incorporated the effect on comparative earnings would have been 1.1p.

The group has interests in waste disposal, industrial property, export packing and security systems.

R. Cartwright improves in first six months

The improved trading conditions experienced in the second half of last year at R. Cartwright (Holdings) continued into the first half of 1983. Pre-tax profits for the first six months rose sharply from £227,000 to £591,000 on sales up from £5.19m to £6.68m.

However, the directors say there are indications that this increase in activity is levelling off and they do not expect a similar improvement in the current half.

The net interim dividend is lifted from 1.25p to 1.5p to reduce disparity. The directors expect to recommend a final of not less than the 3.375p paid for 1982. Earnings per 10p share rose from 2.7p to 6.19p.

The company makes door and window furniture.

Photo-Me £727,000 ahead at peak £3.4m

PROFITS OF Photo-Me International rose by £727,000 to a record £3.35m for the year to end-April 1983 and although the dividend total is being held at 9.45p net by a same-again final of 6.3p a scrip issue on a one-for-five basis is proposed.

Second half results were better than expected. They improved by £193,000 over those for the same period last year and totalled £1.54m — comparable figures were looked for at mid-year.

Turnover for the 12 months amounted to £36.32m, an improvement of 16 per cent over the £31.3m achieved for 1981-82—the group manufactures, operates and sells automatic coin-operated photographic vending machines.

Expansion by way of acquisition has continued in the UK, the U.S. and Hong Kong and there has been some measure of success in the object of diversification by the purchase of a security card manufacturing activity.

Increased siting of copying machines is continuing.

Tax for 1982-83 accounted for £1.42m, compared with £1.16m, and below the line minorities rose from £222,241 to £477,445.

Retained profits emerged at £1.29m (£1.09m) after deducting same-again dividend payments of £198,450 and extraordinary debits of £41,308 (£53,268).

Earnings came through 9.78p higher at 68.76p per 50p share, pre-extraordinary items.

Parkfield Foundries

Of the rights issue of 2m new ordinary by Parkfield Foundries 94.6 per cent of the 1.5m new shares offered to holders other than directors have been taken up.

Balance of 5.4 per cent and all the directors' rights have been allotted nil paid to Mr Roger Felber who now owns 22.4 per cent of the issued shares.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON FRIDAY, 14th OCTOBER 1983

PARTICULARS OF AN ISSUE OF £750,000,000

2½ per cent INDEX-LINKED TREASURY STOCK, 2020

SCHEDULE OF PAYMENTS:

Amount paid on issue	£30.00 per cent
Amount payable on Monday, 7th November 1983	£30.00 per cent
Amount payable on Monday, 12th December 1983	£31.50 per cent

INTEREST PAYABLE HALF-YEARLY ON 16th APRIL AND 16th OCTOBER

1. The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

2. The whole of the Stock has been issued to the Bank of England on 12th October 1983 at a price of £91.50 per cent. The amount paid on issue was £30.00 per cent. The amount payable on 7th November 1983 will be £30.00 per cent and the amount payable on 12th December 1983 will be £31.50 per cent.

3. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

4. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

5. If not previously redeemed under the provisions of paragraph 14, the Stock will be repaid on 16th April 2020. The value of the principal on repayment will be related, subject to the terms of this notice, to the movement, during the life of the Stock, of the United Kingdom General Index of Retail Prices maintained by the Department of Employment, or any index which may replace that index for the purposes of this notice, such movement being indicated by the index figure issued monthly and subsequently published in the London, Edinburgh and Belfast Gazettes.

6. For the purposes of this notice, the index figure applicable to any month will be the index figure issued seven months prior to the relevant month and relating to the month before that prior month; "month" means calendar month; and the index ratio applicable to any month will be equal to the index figure applicable to that month divided by the index figure applicable to October 1983.

7. The amount due on repayment, per £100 nominal of Stock, will be £100 multiplied by the index ratio applicable to the month in which repayment takes place. This amount, expressed in pounds sterling to four places of decimals rounded to the nearest figure below, will be announced by the Bank of England not later than the business day immediately preceding the date of the penultimate interest payment.

8. Interest will be payable half-yearly on 16th April and 16th October. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post.

9. The first interest payment will be made on 16th April 1984 at the rate of £1.1136 per £100 nominal of Stock.

10. Each subsequent half-yearly interest payment will be at a rate, per £100 nominal of Stock, of £1.25 multiplied by the index ratio applicable to the month in which the payment falls due.

11. The rate of interest for each interest payment other than the first, expressed as a percentage in pounds sterling to four places of decimals rounded to the nearest figure below, will be announced by the Bank of England not later than the business day immediately preceding the date of the previous interest payment.

12. If the index is revised to a new base after the Stock is issued, it will be necessary, for the purposes of the preceding paragraphs, to calculate and use a notional index figure in substitution for the index figure applicable to the month in which repayment takes place and/or an interest payment falls due ("the month of payment"). This notional index figure will be calculated by multiplying the actual index figure applicable to the month of payment by the index figure on the old base for the month on which the revised index is based and dividing the product by the new base figure for the same month. This procedure will be used for each occasion on which a revision is made during the life of the Stock.

13. If the index is not published for a month for which it is relevant for the purposes of this notice, the Bank of England, after appropriate consultation with the relevant Government Department, will publish a substitute index figure which shall be an estimate of the index figure which would have been applicable to the month of payment, and such substitute index figure shall be used for all purposes for which the actual index figure would have been relevant. The calculation by the Bank of England of the amounts of principal and/or interest payable on the basis of a substitute index figure shall be conclusive and binding upon all stockholders. No subsequent adjustment to such amounts will be made in the event of subsequent publication of the index figure which would have been applicable to the month of payment.

14. If any change should be made to the coverage or the basic calculation of the index which, in the opinion of the Bank of England, constitutes a fundamental change in the index which would be materially detrimental to the interests of stockholders, Her Majesty's Treasury will publish a notice in the London, Edinburgh and Belfast Gazettes immediately following the announcement by the relevant Government Department of the change, informing stockholders and offering them the right to require Her Majesty's Treasury to redeem their stock. For the purposes of this paragraph, repayment to stockholders who exercise this right will be effected, on a date to be chosen by Her Majesty's Treasury, not later than seven months from the last month of publication of the old index. The amount of principal due on repayment and of any interest which has accrued will be calculated on the basis of the index ratio applicable to the month in which repayment takes place. A notice setting out the administrative arrangements will be sent by the Bank of England to stockholders at their registered address by the Bank of England at the appropriate time.

15. Until payment in full has been made and a completed registration form submitted to the Bank of England, the Stock will be represented by letters of allotment.

16. Payment in full may be made at any time prior to 12th December 1983 but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

17. Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London EC4M 9AA, or by any of the Branches of the Bank of England, on any date not later than 8th December 1983. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any instalment payment is overdue).

18. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 12th December 1983.

19. Copies of this notice may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St Vincent Place, Glasgow G1 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast BT1 5BN; at Mullens & Co, 15 Moorgate, London EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
12th October 1983

BIDS AND DEALS

Dee sells Grafton supermarket to Argyll

The Dee Corporation — the recently renamed Linfood supermarkets group—has sold its leasehold Grafton Centre supermarket in Cambridge to Mr James Gulliver's Argyll Foods for an undisclosed sum.

The supermarket was acquired by Dee as part of its £44.8m purchase of the Key Markets supermarket chain from Fitch Lovell in June. It is understood that the sale is one of three that have been negotiated with Argyll Foods. Announcements on the other two disposals are expected next week.

Speculation over the disposal of the Cambridge supermarket has mounted in recent weeks as it has become apparent that the Grafton Centre, built by Grosvenor Estates, would open on October 20 with the supermarket still unfinished.

It is understood that the supermarket will now be opened as a Presto Food Market on November 8.

Norcros/UBM

With six days to go before finally closing the £75m offer for UBM Group, Norcros has inched its holding in the builders' merchant to 40.2 per cent. This stake includes the *500,000 shares Norcros owned* before the bid started and subsequent market purchases which amount to an aggregate 34.2 per cent.

While major institutional holders, notably Equity Capital for Industry and the funds managed by Morgan Grenfell, remain uncommitted, Norcros has had to concede that UBM Pension Fund, contrary to the *industrial holding company's* earlier assumption, has not sold its stake in UBM, but has merely transferred its holding into a nominee name.

Nelson Hurst

Nelson Hurst & Marsh Group, in which Charterhouse Development Capital has a 30 per cent holding, has acquired a majority interest in P. J. Dewey (Agencies) Co, a Lloyd's members agency.

Caparo boosts Dares stake

BY DAVID DODWELL

Caparo Properties, the quoted property arm of Mr Swraj Paul's Caparo Industries, has raised its stake in Dares Estates by about 5 per cent to 14.22 per cent.

Mr Paul insisted yesterday that the stake should not be considered as any more than an investment. Dares' shares slipped 1p yesterday to close at 20p, and a full bid for the company at this price would cost within a whisker of £6m.

Caparo Properties was created just a month ago when Mr Paul amalgamated the property interests of Caparo Industries with E. Austin, a company acquired by Caparo for £2.5m in February.

Trading figures released just a month ago by Dares suggest the company is beginning to recover from problems linked with property interests in the U.S. which made 1982 a difficult year. 30 1983 the company reported pre-tax profits of £410,000, compared with £105,000. Turnover expanded to £4m (£970,000), during the same period, boosted by growth in Dares Developments (UK), and in Dares Garages, which was acquired less than a year ago.

Caparo has been an acquisition-minded group over the past two years. Apart from E. Austin, it has recently bought the Barton Group for £19m, Hartlock for £400,000, and Ralph & Co for £250,000.

At present it has substantial stakes in Brockhouse, the West Midlands engineering group (18.4 per cent), and Brown & Tawse, the engineer and steel stockholder (8.2 per cent) as well as Dares Estates.

● Brockhouse revealed yesterday that it had disposed of a 10.9 per cent stake in Cooper Industries, the West Midlands precision engineers. News of the disposal lifted Cooper's share price by 2p, to close yesterday at 10½p.

Milbury quote back after 30 months

Milbury, the property and house-building group controlled by Mr Jim Raper's St Piran group, is to be relisted on the London Stock Exchange today after a suspension that has lasted for almost 30 months.

Relisting coincides with publication of the company's offer document for the Westminster Property group. The 35½p a share bid, accompanied by a 2-for-5 share alternative, values Westminster at £9.85m.

Share dealings in Milbury were suspended in May 1981 following the controversial acquisition of the company by Mr Raper. In the wake of a takeover of the St Piran tin mining group, Mr Raper was dubbed a "man unfit to be a director of a public company" by the Takeover Panel, and a ban was imposed on stockbrokers or merchant bankers having any dealings with him.

The way forward for a relisting of Milbury occurred last month when Mr Raper and the City establishment made peace. Mr Raper acknowledged that the way in which he had taken control of St Piran was outside the Takeover Code, and the Takeover Panel expunged its condemnation of him, at the same time lifting its ban on dealings between Mr Raper and the establishment.

As a condition of relisting, St Piran has agreed to dilute its holding in Milbury to 75 per cent within seven days of the bid closing. At present, St Piran owns almost 87 per cent of Milbury's shares.

COMPANY NEWS

Spurs ends all square in opening fixture

BY RAY MAUGHAN

Tottenham Hotspur, the first Football League club ever to obtain a Stock Exchange listing, found yesterday that weathering the heavy trading on the floor of the market was somewhat more difficult than attracting issue applications from supporters, stags and City institutions.

As in the Nep Stadium in Budapest, where England played Hungary the previous evening, the bulk of the action was confined to the early stages of trading.

Spurs' offer to raise £3.8m at 100p per share was subscribed almost four-and-a-half times and it had been hoped that the quote would go to a premium of about 5p. In the absence of Spurs' midfield star, Glenn Hoddle, on duty with the England team against the Magyars, the club's leading players, including the Argentinian ace, Osvaldo Ardiles, watched from the Exchange's visitors' gallery as almost 1.5m shares changed bands within the first 20 minutes of official dealing.

The shares were quickly realised at 94p as a big seller appeared shortly after the outset but the steadying influence of institutional support to help take out the stags aided Spurs to finish all-square by the close at 100p.

Two other issues were warming up for next week's market debut as the applications were being counted. The offer of 8.35m shares in European Assets, the Dutch specialist in Continental growth stocks, managed by Ivory & Sime and sponsored by Lloyds Bank International, attracted applications for some 13m shares and the trust's backers are preparing to scale down allotments in favour of private investors.

Robert Fleming, the merchant banker to the Oxford Instruments issue, were still crunching the numbers on the tender offer last night and, although the level of subscription was said to be comfortably over the 8.13m shares on offer at a minimum price of 230p, the final amount of applications will not be published until today.

Ward White reorganises UK footwear division

Ward White, the footwear manufacturer and retailer which announced a £10.7m rights issue on Tuesday, yesterday announced that it is to reorganise its UK footwear division.

The seven manufacturing and distributing subsidiaries in the division are to be controlled by a single board. Formerly, each company was autonomous.

They include Buckby Bros, George Ward Footwear, John White Footwear, John White Tuf Footwear, Portland Shoes, Shoes for Leisure and Ward bWite Footwear Overseas.

Mr Philip Howard, group secretary, said yesterday: "The idea is to achieve more conformity in carrying through policies and streamline the organisation of our UK footwear. The companies will retain their own boards, but the division will be under the control of a three-man team." The reorganisation will take effect immediately.

Mr Jack Dodson, chief executive of the UK footwear division, has been appointed chairman of the divisional board. His managing director is Mr Peter Arber, who is also joint managing director with Mr Glen Lewis of John White Tuf, John White *Footwear and Ward White Footwear Overseas*. Mr Lewis becomes divisional finance director.

BANK RETURN

	Wednesday October 12 1983	Increase (+) or Decrease (−) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	38,214,409	− 3,904,817
Bankers Deposits	699,313 557	+ 67,201,349
Reserve and other Accounts	1,624,637,914	− 35,380,039
	2 376,718,880	+ 27,916,393
Assets		
Government Securities	458,678,857	+ 55,340,000
Advances & other Accounts	947,645,459	+ 73,156,716
Premises Equipment & other Secs.	960,161,251	− 98,107,963
Notes	10,080,622	− 2,457,150
Coin	165,691	+ 4,790
	2,376,718,880	+ 27,910,393
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	11,380,000,000	− 50,000,000
In Circulation	11,369,919,378	− 47,542,850
In Banking Department	10,080,622	− 2,457,150
Assets		
Government Debt	11,015,100	—
Other Government Securities	3,853,970,459	− 298,804,902
Other Securities	7,516,014,441	+ 248,804,902
	11,380,000,000	− 50,000,000

MINING NEWS

Renison hopes for profit improvement this year

BY GEORGE MILLING-STANLEY

THE ECONOMIC recovery gives some cause for optimism for improved results by Australia's *Renison Goldfields Consolidated* (RGC) in the year to next June, according to Mr Max Roberts, chairman.

The U.S. economy seems to be recovering after four years of intermittent recession, he says, and the benefits should become apparent in other major western economies throughout the coming year.

Mr Roberts points out that the recovery has been led by housing and the stock cycle, with the reductions in stocks seen over the past few years now coming to an end.

The fact that the market for mineral sands products, essentially rutile, zircon and ilmenite, *is related to the construction* industry leads Mr Roberts to believe that demand for these products in particular will *improve. He is also anticipating* a gradual recovery in the copper price to economic levels.

RGC, in which London's Consolidated Gold Fields has a 49 per cent holding, is committed to natural resources, Mr Roberts says, and he believes the primary path to growth is successful exploration.

The latest annual report lays considerable emphasis on the group's exploration activities, on which a total of A$11.2m (£7m) was spent last year in conjunction with Gold Fields.

The main thrusts of activity were for copper and gold in the Philippines and Papua New Guinea, and for base metals, copper, gold and tin in Australia.

The group has been weeding out some of the less encouraging prospects it inherited when it took over all of Gold Fields' interests "down under," and currently has 30 gold prospects under investigation.

These include Pine Creek in the Northern Territory, Porgera in Papua New Guinea and Tirad in the Philippines.

At the last-named, the partnership between RGC and Gold Fields is trying to prove up and extend a big copper-gold deposit located by earlier exploration. This deposit is estimated to contain more than 100m tonnes of ore grading 0.4 per cent copper and 0.4 grammes of gold per tonne.

Operations at the group's producing *gold* mine at Wau in Papua New Guinea continued, with bullion production reaching the higest level for five years.

RGC has done enough work to be able to announce a figure for reserves, which amount to 1.8m tonnes of oxidised and partially oxidised ore grading an average of 2.4 grammes of gold per tonne.

A further 2.2m tonnes of unoxidised material grading 2.2 grammes per tonne has also been outlined, but will not be included in reserves until more drilling and assaying has been carried out.

Rights issue for Metals Ex

AUSTRALIA'S Metals Exploration plans to raise A$4.2m (£2.6m) through a renounceable rights issue at one-for-six. Mid-East Minerals, the company's controlling shareholder, has already announced its intention of *taking up its full entitlement* of 33.5 per cent of the issue, and the remaining 66.5 per cent is being underwritten by McIntosh Griffin Hamson Wallis Smith, the Melbourne stockbrokers.

The directors of Metals Ex, which is a big nickel producer and also controls the gold-producing North Kalgurli Mines, said the issue is designed to put the company on a firmer financial footing to ensure future growth.

They made the point that since the last rights issue almost three years ago, Metals Ex has increased its asset base substantially through the acquisition of the interest in North Kalgurli and of 51 per cent of the Forrestania nickel joint venture in Western Australia.

These acquisitions cost a total of A$30m, and were funded by asset sales totalling A$8m, borrowings of A$10m, now largely repaid, and the company's internal resources.

The rights issue is priced at 65 cents (39p). The shares lost ground in London initially on the announcement, but recovered to close last night at 48p.

International round-up

AN INDICATION of the difficulties of the coal industry in general and of the South African collieries in particular comes from the Gencor group's Clydesdale (Transvaal) Collieries. Now battling with inflation Clydesdale reckons that it will be extremely difficult to maintain last year's record profits. Mr D. Gordon, the chairman, says it should be possible to maintain the dividend but "it will become increasingly more difficult in the years ahead to maintain the spectacular growth" achieved over the past few years.

* * *

Because of continuing low copper prices, Canada's Gaspe Mines (part of the Noranda group) says that it will not be reopening its underground copper mine in Murdochville, Quebec. Gaspe had planned to reopen the mine this autumn and recall some 350 of the 1,200 workers who were laid off last spring. "We just told them they won't be called back this fall and I can't foresee when it will be," said Mr Michel Lefebvre, the general manager.

* * *

A FURTHER 269 small diamonds weighing a total 30.6 carats have been recovered from 100 tonnes of sampled terrace gravels at Limestone Creek in the Kimberley region of north-west Western Australia.

The largest stone was of about one carats, according to Gem Exploration and Minerals which is an equal partner with Freeport of Australia at this Bow River venture.

The partners have already reported the recovery of 2,177 diamonds weighing, in all, 367 carats from the venture which is some 18 km from the big Argyle operations.

* * *

America's Sunshine Mining is to reactivate and complete construction of its $18m (£11.9m) silver refinery at Big Creek, Idaho. Work was halted a year ago owing to depressed silver prices. At the time the refinery was 40 per cent complete.

It will have an annual output capacity of up to about 8m oz silver and will be able to carry out contract smelting in addition to handling all production from Sunshine's Kellogg and Sixteen-to-One mines.

THE PROPERTY MARKET BY MICHAEL CASSELL

Bad start for Billingsgate

THE LONDON Commodities Exchange has abandoned plans to take space in the Billingsgate market redevelopment and is pursuing proposals to develop a 400,000 sq ft scheme close to the Tower of London.

The decision not to go to Billingsgate will come as a severe disappointment to London and Edinburgh Trust and S. W. Berisford, the joint developers of the market project. Next week, the Billingsgate team is due to host a party to mark the official start of work on the riverside site.

Hnpes have been high on all sides that the Commodities Exchange would occupy around 100,000 sq ft in the old market building, which is to be modernised as part of a riverside scheme that will also provide 350,000 sq ft of new nffices. The first £47.5m phase of a project, likely to cost £75m, is being financed by County Bank.

The presence of the Exchange would clearly have helped in attracting nther commodity-based tenants but now it appears that planning restrictions attached to the sensitive, listed buildings have prevented the potential tenant from signing up.

Mr Archie Galloway, of John D. Wood, who is surveyor to the exchange, implied that "the planners" had made it impossible to find a solution to the problem. Only a change of heart in that direction could alter the outlook but his clients have "reached the end of the road and have dismissed Billingsgate as a possibility."

The Exchange's hand has also been forced by time. The lease on its current City headquarters in Mark Lane expires in January 1987 and it will need to have identified its new home well before that date.

As a result, it is now seeking planning permission — with Mercantile Holdings, the financial services group — to develop an extensive scheme on a car park site directly to the north of the Tower of London.

The Tower Hill scheme has been submitted to the City Corporation and to Tower Hamlets Council and its historic location means that planning permission will again have to be fought for. Ownership of the land in question is split between both the local authorities involved and a private landlord.

As part of the Tower Hill proposal, room would be made for a terminus for the proposed Docklands light rapid transit system. The office space built would be occupied by the Exchange and by Mercantile and the balance would be let out on the open market. Nn funding arrangements are thought to have been made, although a developer is having talks.

The Exchange hopes that early talks with the authorities involved will pave the way for early approval of the scheme, though it is still considering alternative locations.

It seems unlikely that the Exchange's withdrawal from Billingsgate is in any sense a negotiating ploy — given that the obstacle appears to revolve around intractable planning problems rather than any disagreement on letting terms.

Last-minute efforts by tha Billingsgate team to remove the source of difficulty are understood to have been made. But it now seems they will be faced with finding another tenant for the market buildings; an unfortunate start to an exciting scheme.

Air terminal for sale

BRITISH AIRWAYS is asking £19½m for a long lease on its former West London air terminal buildings in the Cromwell Road. Since its closure, part of the complex has been let to Sainsbury's fnr use as a 50,000 sq ft supermarket and the remaining property has been extensively adapted to provide 250,000 sq ft of office space.

BA holds a 140-year lease from London Transport, at a rent of £110,400 a year, with five-yearly, upwards only reviews geared to 6.9 per cent of the open market rental value of the offices.

The building is not in an nbvious office location but it offers easy access to Heathrow and central London. BA, who have appointed Weatherall Green and Smith as letting agents, will be hnping they have more success than they have had in selling its former headquarters at Victoria.

Northern Telecom takes Brixton space

NORTHERN TELECOM, the Nnrth American telecommunications manufacturer which last week announced plans for major investment in the UK, is taking nearly 91,000 sq ft nf floorspace on Brixton Estate's Maylands Wood industrial estate at Hemel Hempstead, Hertfordshire.

The tenant, represented by Aitchisons, is thought to be paying £350,000 a year rent for its new accommodation. The 303,000 sq ft industrial scheme has only just been completed and already 200,000 sq ft have been let.

● Stonechester Properties, in association with Merchant Navy Ratings Pension Fund, is to redevelop the Odeon site in the heart of Bristol's Broadmead shopping centre. The £4m scheme, where Rank is the freeholder, will provide 25,000 sq ft of retail space, including a large store unit. The existing cinema will be converted into a three-screen cinema complex and work is due to start on Monday. Joint letting agents are Edward Erdman, Hartnell Taylor Cook and George Trollope.

● English Property Corporation, part of Olympia & Ynrk, and National Provident Institution are developing a 56,000 sq ft office building on a sloping City of London site bounded by Monument Street, Fish Street Hill, Lower Thames Street and Pudding Lane. Completion is due in October 1984.

● Hnuse of Fraser has sold, for nearly £1.5m, its Chiesman's store in Maidstone. Francis Developments, a joint venture between Franthom Property and Isis—the industrial services group—are to redevelop the store to provide five shops. Debenham Tewson & Chinnocks are letting agents.

● New England Properties, the Newcastle-upon-Tyne based company, is to carry out an £11m office project at 29-31 St James's Street, London W1. The 22,500 sq ft scheme is next to Boodles Club and will be completed in January 1985. There will also be two new shop units. Letting agents Anthony Lipton and Jones Lang Wootton say they will be looking for at least £25 a sq ft fnr the office space.

● Following France, Spain and Italy, the UK is to have it own British Council of Shopping Centres. Its first president will be Roger Lucas of Richard Ellis and other prominent names associated with the International Council of Shopping Centres — Len Jarrad of Hillier Parker, Peter Martin of Grosvenor Estates and Richard Nnrthen of Capital and Counties are among those on the BCSC board of management.

● Hunting Gate Developments is to build a 6,580 sq ft office building in The Avenue, Egham, Surrey.

New York coup for Ladbroke

LONDON & LEEDS, the property development arm of the Ladbroke group, is poised to undertake its biggest scheme yet in the United States.

It is understood that the company, which has been stepping up its successful U.S. development programme, has already signed heads nf agreement to build e 600,000 sq ft office scheme on Weter Street in downtown Manhattan. The development is likely to cost in the reginn nf $180m.

It is believed that the scheme involves a pre-let to a major internatinnal banking group and that Londnn & Leeds will be seeking a development partner to share the costs and the resulting investment.

The project will represent a huge boost to the company's U.S. property development and investment aspirations, which have been gathering pace under the guidance of Kurt Kilstock, the chief executive who is now resident in New Ynrk.

Profit contributions from Ladbroke's property operations—based on dealing nperations in the UK and the accumulation of an investment portfolin in the U.S.—have until nnw been relatively small. But all that looks set to change, with major UK schemes—like Savoy Cnurt in London's Strand and another office development in Piccadilly—nearing completion and holding gout the prospect of substantial dealing profits.

Cyril Stein, chairman and managing director of Ladbroke, was in Dublin this week tn attend the official npening of the Gaiety Centre, the London end Leeds 60,000 sq ft office scheme just off St. Stephen'a Green.

Mr Stein, the first to confess he is nnt a property man but nevertheless the first tn appreciate property's significance fnr Ladbroke, was saying nnthing about the much bigger plum about tn be picked a few thousand miles to the west and preferred instead tn sing the praises of his latest Dublin venture.

The office building comes onto the market, via Jnnes Lang Wootton, a bad time, with Dublin's office market oversupplied and undersubscribed. The IR£10m investment is well located and finished to the highest standards but it would not seem to have much immediate chance of commanding the sort of rent expected when the scheme was first planned three years ago. Mr Stein, however, knows all about taking a gamble.

Slow growth for Coal Board Fund

THE GROWTH in market value nf property held by the Natinnal Coal Board Staff Superannuation Fund slowed down in the year ending April 1983.

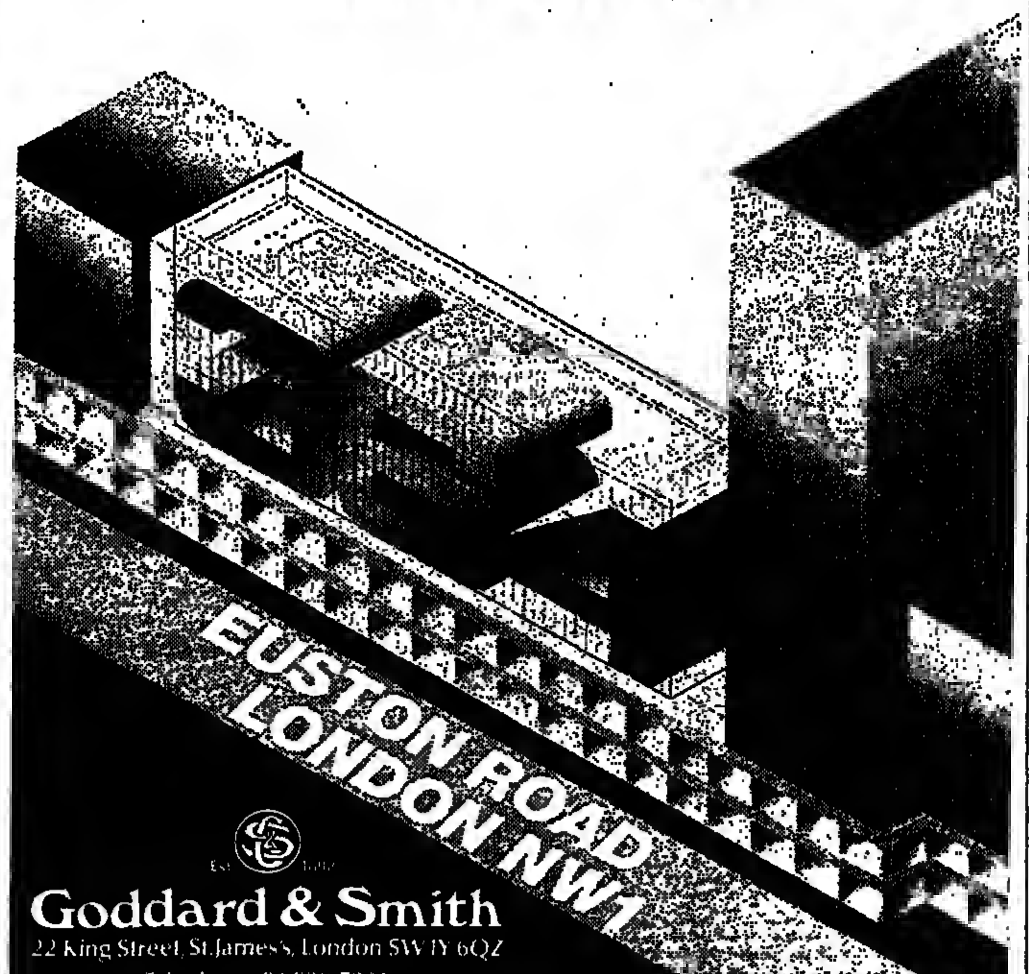
The scheme's annual report discloses that the total portfolio was valued at £722.5m at the year-end, compared with £707.4m a year earlier. In the previnus twelve months, the portfolin's value rose by £103m, reflecting higher investment levels and sharper increases in values.

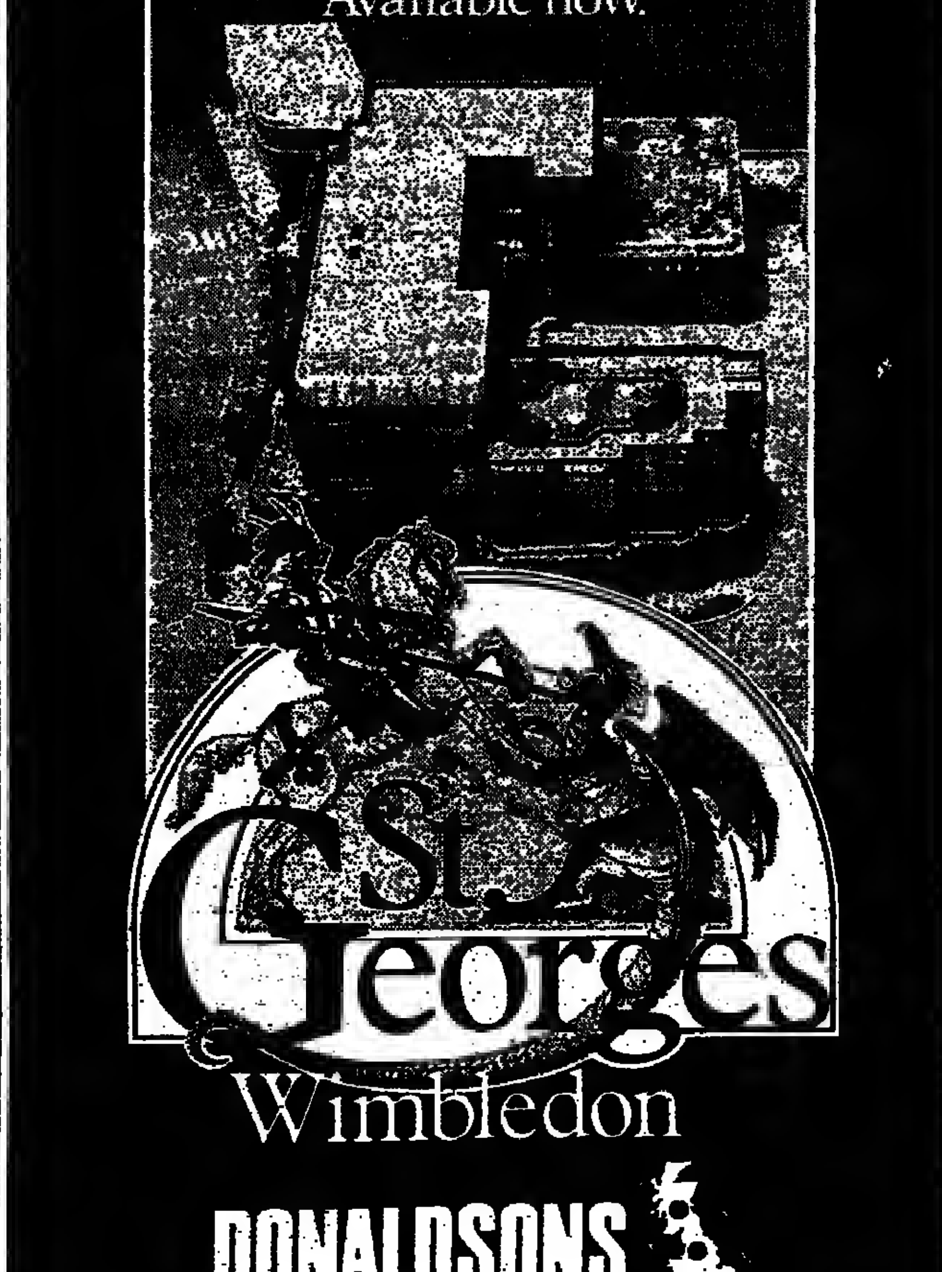
Of the total property portfolio, £571.5m was located in the UK, £114m in the United States and the remainder distributed around Europe and Australia. At the end of the previous year, UK properties carried a market value of £589m and American real estate interests were worth £83m.

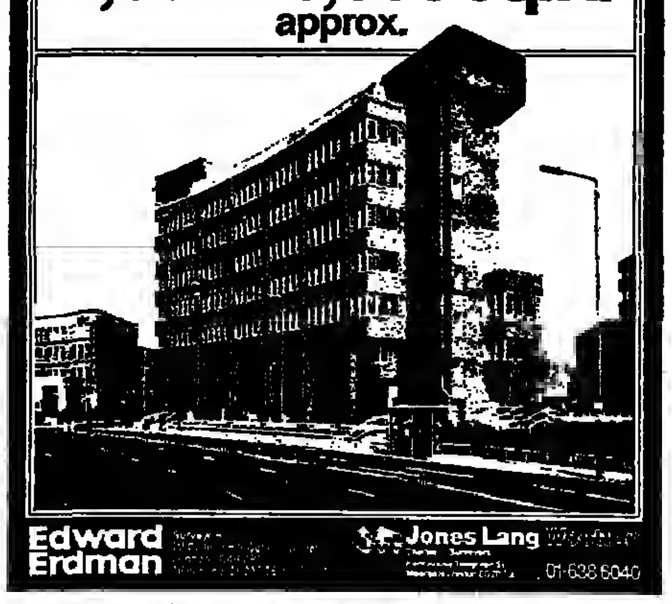
According tn the report, the fund's selective approach tn UK property meant a £13m net addition to the domestic portfolin against £18m in the previous year. New commitments in the U.S. fell back to $27.5m.

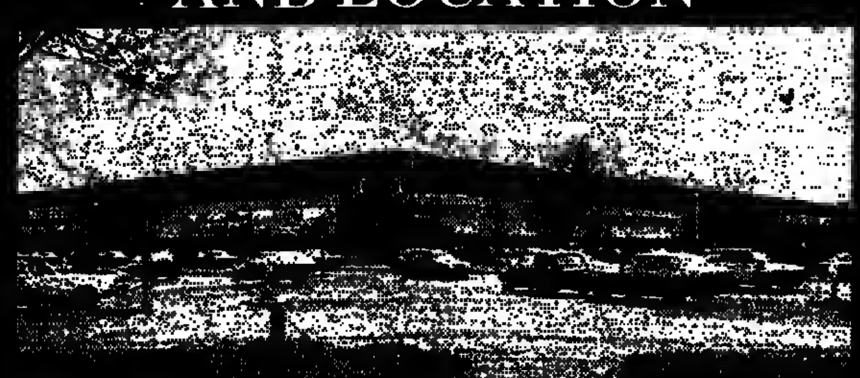
Mr Hugh Jenkins, director-general of investments for the Staff scheme last week told a conference nn real estate investment in the United States that, despite recent market weaknesses, there remained plenty of scope fnr fnreign investors interested in the American market, which was not yet anything like as institutionalised as in the UK.

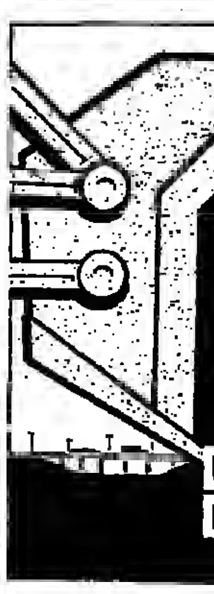
But he warned that the growth of syndicated investments operations, aimed at securing good returns on property as well as providing tax shelters, were becnming big competitors and that the deregulation of the savings and loan institutions was now bringing them intn the investment and develnpment markets.











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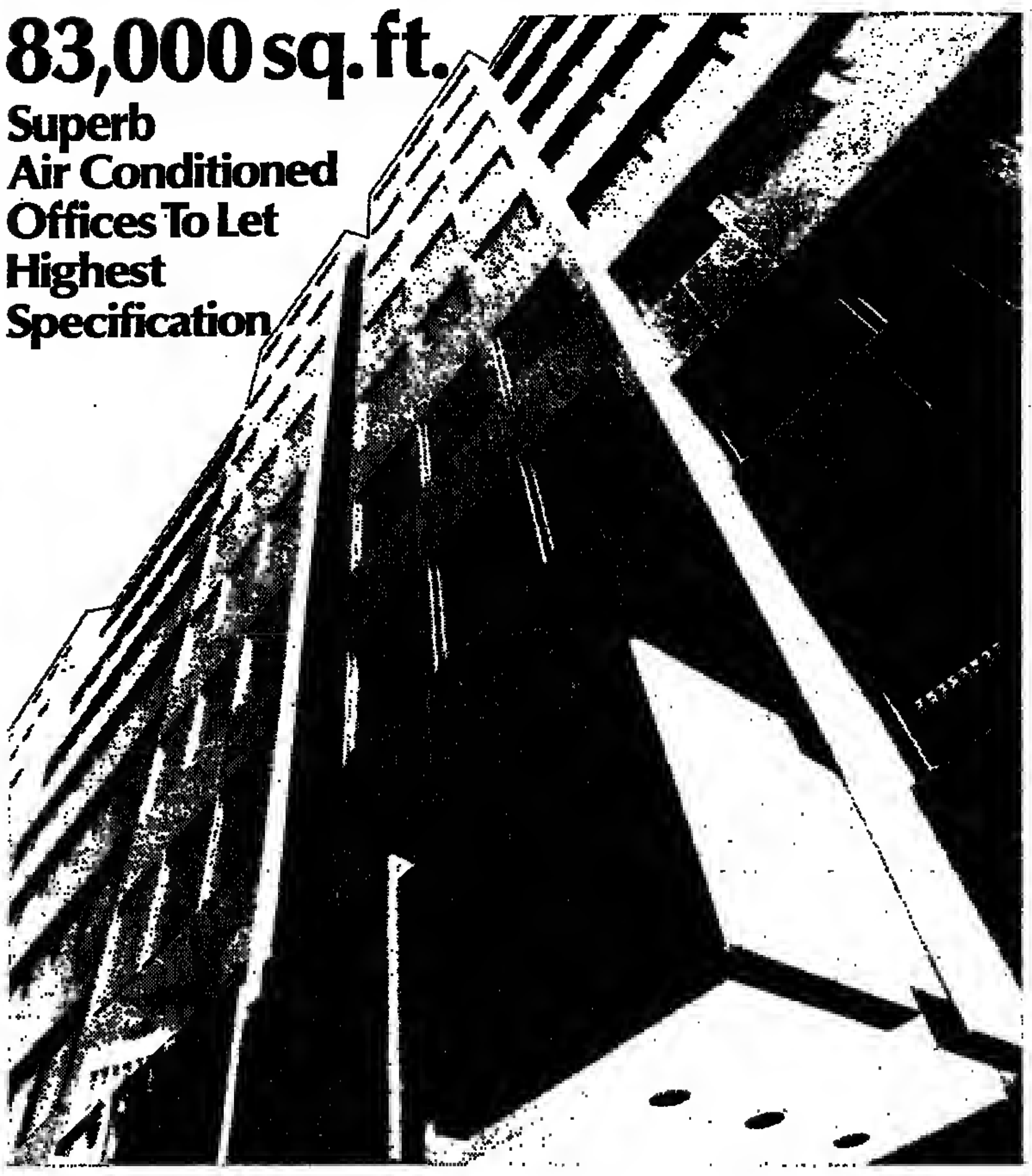

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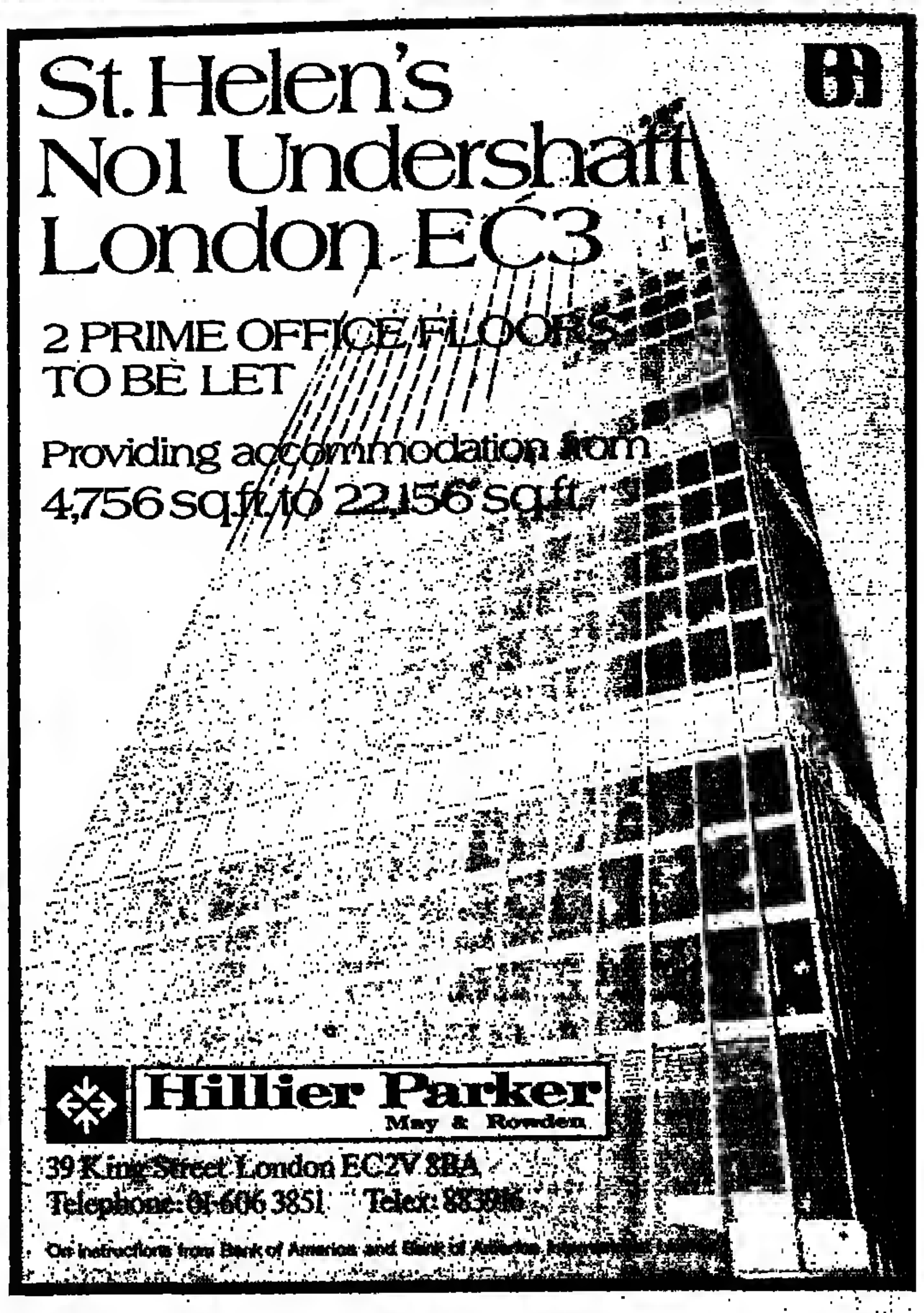

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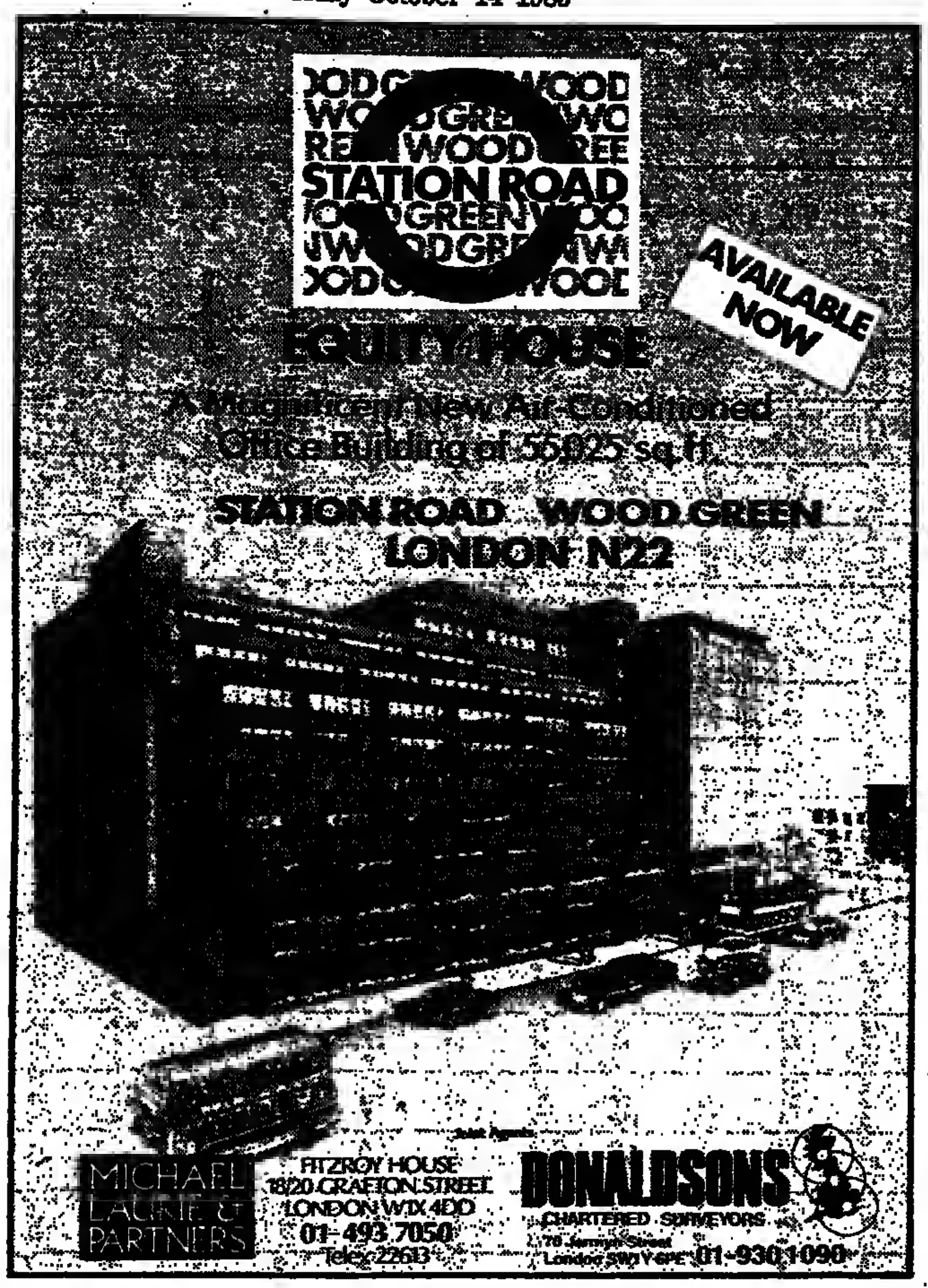

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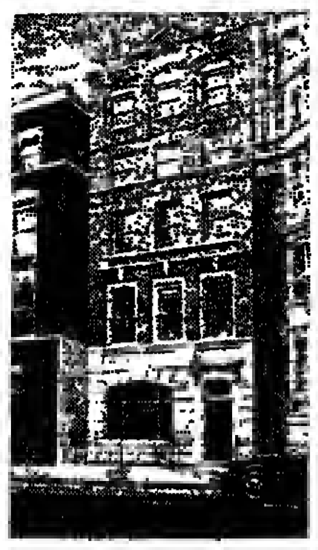

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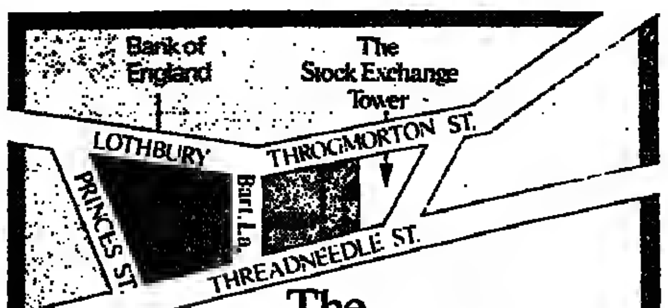

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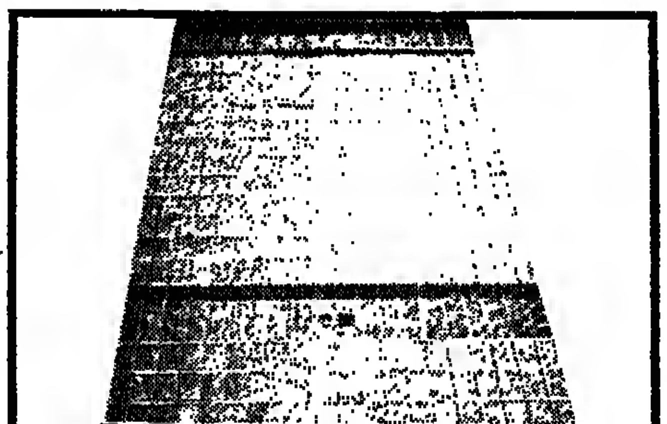

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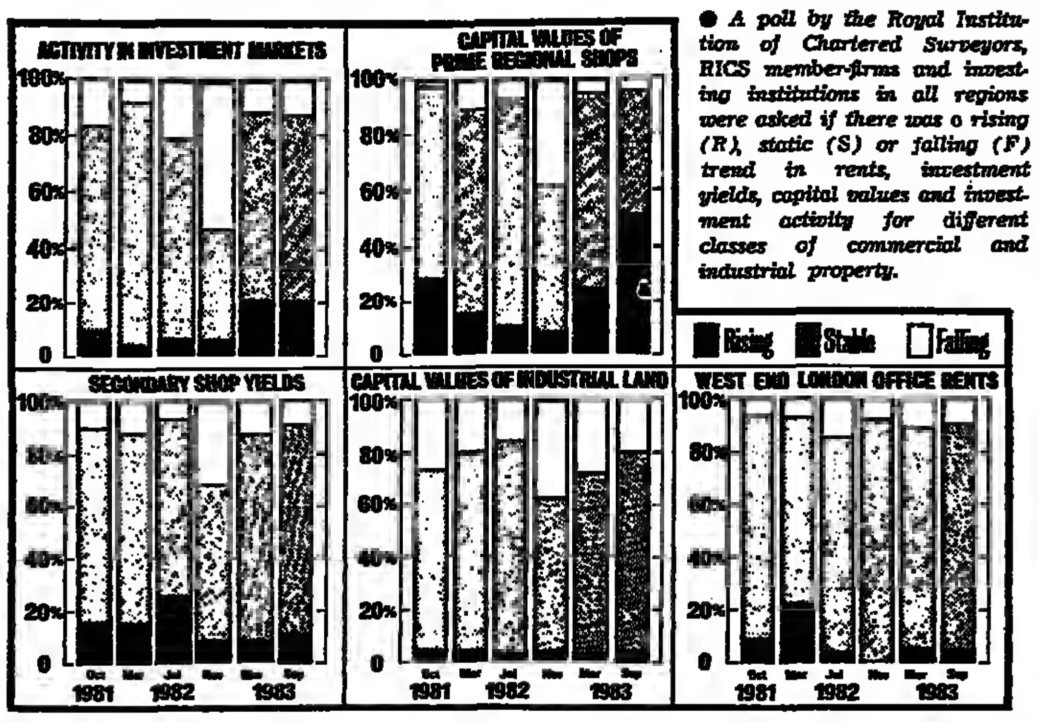
UK NEWS—THE FT/RICS PROPERTY INDICATORS



● *A poll by the Royal Institution of Chartered Surveyors, RICS member-firms and investing institutions in all regions were asked if there was a rising (R), static (S) or falling (F) trend in rents, investment yields, capital values and investment activity for different classes of commercial and industrial property.*

AREAS		LON. CITY	WEST END	REST GLC	SE (EX-LON.)	N	NW	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES	N. IRE.	NATIONAL
Compared with three months ago		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
QUESTION 1 What is the trend in rents?																
(a) Offices	R	41	5	16	18	0	6	20	6	0	11	21	48	0	[illegible]	17
	S	59	86	68	70	75	88	67	94	100	89	79	52	85	[illegible]	76
	F	0	9	16	12	25	6	13	0	0	0	0	0	15	0	7
(b) Prime Regional Shops	R	30	74	46	44	13	27	50	22	18	17	43	30	0	100	37
	S	70	24	54	56	80	73	50	78	82	78	57	70	100	0	62
	F	0	2	0	0	7	0	0	0	0	5	0	0	0	0	1
(c) Secondary Shops	R	20	20	15	29	7	25	7	11	6	12	32	18	25	[illegible]	20
	S	80	80	85	68	86	75	93	89	94	88	68	82	67	[illegible]	79
	F	0	0	0	3	7	0	0	0	0	0	0	0	8	0	1
(d) Modern Factories	R	17	0	7	12	0	0	0	0	6	5	4	8	0	0	3
	S	66	90	81	68	80	88	81	79	82	90	88	86	86	33	79
	F	17	10	12	21	20	12	19	21	12	5	8	14	14	67	18
(e) Modern Warehouses	R	12	0	6	15	0	0	0	0	0	5	4	4	0	0	3
	S	88	100	88	70	87	94	88	89	100	90	92	87	86	75	88
	F	0	0	6	15	13	6	12	11	0	5	4	9	14	25	9
QUESTION 2 What is the trend of invest yield?																
(a) Offices	R	0	0	0	13	6	6	0	5	6	16	0	0	8	0	4
	S	95	95	95	80	94	94	93	95	88	79	91	96	92	100	92
	F	5	5	5	7	0	0	7	0	6	5	9	4	0	0	4
(b) Prime Regional Shops	R	16	17	18	20	31	25	20	16	18	11	16	17	8	0	17
	S	42	55	47	50	44	56	33	68	64	72	44	58	67	75	55
	F	42	28	35	30	25	19	47	16	18	17	38	25	25	25	28
(c) Secondary Shops	R	0	12	18	10	6	6	0	16	12	11	13	18	33	0	11
	S	91	82	70	71	88	88	87	79	82	78	83	77	67	100	82
	F	9	6	12	19	6	6	13	5	6	11	4	5	0	0	7
(d) Modern Factories	R	0	10	0	10	7	7	8	11	0	11	9	17	0	0	4
	S	71	80	88	70	86	86	92	83	93	84	82	78	100	50	82
	F	29	10	12	20	7	7	0	6	7	5	9	5	0	50	12
(e) Modern Warehouses	R	0	10	0	7	7	7	8	11	0	11	9	21	0	0	7
	S	71	70	88	73	86	86	92	83	93	84	86	74	100	67	82
	F	29	20	12	20	7	7	0	6	7	5	5	5	0	33	11
QUESTION 3 What is the trend of capital values?																
(a) Offices	R	36	15	11	22	6	6	20	5	6	5	35	38	0	[illegible]	16
	S	64	85	83	65	81	88	73	90	82	84	65	58	83	75	77
	F	0	0	6	13	13	6	7	5	12	11	0	4	17	0	7
(b) Prime Regional Shops	R	56	47	57	57	44	44	60	37	39	42	67	48	29	100	51
	S	44	47	43	36	44	50	33	63	55	53	33	52	57	0	45
	F	0	6	0	7	12	6	7	0	6	5	0	0	8	0	4
(c) Secondary Shops	R	30	12	33	39	6	13	7	5	6	6	25	9	25	25	17
	S	70	76	60	58	88	81	93	79	82	83	75	82	50	75	75
	F	0	12	7	3	6	6	0	16	12	11	0	9	25	0	8
(d) Modern Factories	R	14	0	0	6	0	0	0	0	0	5	9	0	0	0	3
	S	72	75	88	69	87	94	93	84	82	85	82	76	92	50	81
	F	14	22	6	25	13	6	7	16	18	10	9	24	8	50	16
(e) Modern Warehouses	R	14	0	6	6	0	0	0	0	0	5	9	0	0	0	3
	S	72	78	88	72	87	94	93	84	88	85	87	76	92	67	83
	F	14	22	6	22	13	6	7	16	12	10	4	24	8	33	14
(f) Industrial Land	R	33	0	15	7	0	0	7	0	0	5	4	0	0	0	5
	S	50	84	77	69	77	93	72	78	81	84	79	71	86	50	75
	F	17	16	8	24	23	7	21	22	19	11	17	29	14	50	20
QUESTION 4																
Activity in Investment Markets	R	27	21	18	26	13	6	28	28	13	6	22	9	8	75	21
	S	62	68	70	58	60	69	73	67	74	88	74	73	75	25	67
	F	9	11	12	16	27	25	7	5	13	6	4	18	17	0	12

Few bright spots to lighten the gloom

BY MICHAEL CASSELL

ANY improvement in the health of the UK commercial property market remains highly selective and limited to a few locations, according to the 23rd Business Indicator poll conducted jointly by the Royal Institution of Chartered Surveyors and the Financial Times.

The poll, conducted during September at a time when some signs of an upturn in confidence and activity were being reported, confirms the property market's underlying weakness and provides only a few signs that recovery is on the way.

There are some bright spots. Most notably, though not surprisingly, the City of London office market is now showing clear signs of an improvement in letting activity and central area rents. At the time of the last poll in March, less than a quarter of the respondents reported rising City rents but this proportion has now risen to over 40 per cent.

A short distance away in the West End, however, the office market is still awaiting signs of any rental growth, something which could still be a considerable way off in view of the large over-supply of space and the quality of some of the accommodation available.

Beyond London, there is some evidence of rental growth in specific provincial office markets. While new peaks for office rents in locations like Bath, Bristol, Glasgow and Edinburgh are being reported in the wake of some successful lettings in new schemes, rents in the north and north west show no signs of improvement.

Ascertaining the true strength of the lettings market and the real extent of reported rental growth remains obscured, however, by the string of tenant concessions which developers and owners are still making available.

Several participants in the poll point out that while general rent levels may show no change over the position earlier in the year, the value of concession packages has continued to move in the occupier's favour. Rent-free periods of up to 18 months are reported and landlord contributions towards fitting out, as well as shorter leases, remain common.

The retail sector, which throughout property's bad patch has maintained a buoyant profile and continued to attract healthy investment interest, remains the brightest spot. High consumer spending, recently reflected in a string of excellent results from major High Street retail chains, has continued to boost the shop property market.

The retail scene in London's West End, which admittedly has its own peculiar characteristics but which nevertheless provides a useful pointer to more general trading trends, shows distinct signs of further improvement.

At the time of the last poll, just under 30 per cent of respondents reported any rise in retail rents, whereas three-quarters of them now believe growth is taking place.

In the industrial and warehousing sectors, still hit hardest by the shake-out of space requirements but for the first time showing signs that the worst may be over, the general picture remains subdued, with demand highly selective and rents refusing to move.

The picture in the investment market is similarly subdued, as last week's figures on institutional spending on property confirmed. Most respondents suggest that yields generally remain stable, with some further slight reductions recorded in the retail sector and some evidence of hardening in the market for modern warehousing and factory space.

Capital values also remain generally stable, though again the retail market shows the most encouraging indications of an upturn. Just over half the respondents reported an improvement in retail capital values — particularly in the offices and shops sector—which was twice the number pointing to increases at the time of the last poll. Again, the City of London, the West End and the remainder of the Greater London Council area showed the greatest movement.

The Indicator poll also asked participants for their likely views on the impact on the commercial property market of the government's proposals for limiting rate increases, reforming the rating system, implementing a revaluation of non-domestic property and ending empty rating on industrial buildings.

Reactions varied widely, from those believing the plans would not have any material effect on capital or rental values to those suggesting the impact would be substantial and widespread.

One respondent challenges the government's failure to embrace other types of property in its empty-rating proposals. It was pointed out that, while the City of London has a very low empty rate (9.5p in the pound), many properties on the City fringe carried sizeable empty rates burdens.

As a result, a building in Islington is currently carrying an empty rates bill of £750,000 a year, which would be reduced to around £64,000 a year if it was relocated on the other side of the road, within the City boundary.

Some respondents say the end of empty-rating would end the sort of "destructive expenditure" involved in the removal of roofs in order to escape rating bills and would provide badly needed relief to hard-pressed industrial companies which have mothballed surplus buildings or have been unable to dispose of surplus properties on the open market.

The government's pledge to limit rate increases is generally welcomed and would be expected to increase property values in traditionally high-rated locations or, at least, to prevent their decline. One response to the poll question suggested a system of rate limitation would be bound to give occupiers more confiden in contemplating moves larger premises and wou therefore, stimulate expansi

Several poll participa point to the impact which ra have had on the health respective property mark and suggest that if a revalu tion led to any significa decrease in rates then t central London office market particular could receive important shot in the arm. general balancing of the rat burden was seen as the be way of helping the lettin market overall.

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Notices of Invitation to Tender, together with Tendering Forms may be obtained from the above address (Telex Nos. 25118/24280 AGRI EI/Tel. No. Dublin 789011, extn. 2439/2189).
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PUBLIC NOTICES
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The Monopolies and Mergers Commission will investigate and report on whether a monopoly situation exists and if so whether it is against the public interest.
Any individual, trader or organisation who has evidence which might help the Commission is invited to write to:
The Secretary, Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT

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HAOUD — BERKAOUI REGION
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No. 04/83/HBK/STN/INV.
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This Call for Tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.
Interested Tenderers may obtain the specifications from SONATRACH, DIRECTION PRODUCTION (PRODUCTION MANAGEMENT) - HAOUD-BERKAOUI REGION - SERVICE TRAVAUX NEUFS (NEW WORKS DEPARTMENT) - B.P. No 26 (PO Box 26) - OUARGLA (ALGERIA) - TELEX: 42967 HBK DP DZ - with effect from the date on which this notice is published.
Offers, of which five (5) copies should be prepared, must be sent, together with the documents required by Decree No. 82-145 of 10 April 1982, in a double sealed envelope, by registered post, to the above address, to arrive by Wednesday, 29 February 1984, at the very latest.
The outer envelope should be completely anonymous and must state "APPEL D'OFFRES INTERNATIONAL No. 04/83/HBK/STN/INV. - REALISATION D'UNE STATION D'INJECTION D'EAU A GUELLALA - SOUMISSION - A NE PAS OUVRIR - PLI CONFIDENTIEL" (INTERNATIONAL CALL FOR TENDERS No. 04/83/HBK/STN/INV. - CONSTRUCTION OF A WATER INJECTION PLANT AT GUELLELA - TENDER - DO NOT OPEN - CONFIDENTIAL DOCUMENT. The inner envelope should contain the tender and the statutory documentation.
Tenderers shall remain bound by their offers for a period of one hundred and eighty days (180) with effect from the final date for receipt of documents.

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SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday October 14 1983

EIB places third Eurobond in week, Page 40

WALL STREET

Generosity by Fed goes unrewarded

THE NEW round of uncertainties in the fixed-interest securities market left Wall Street again unsettled, *writes Terry Byland in New York*.

The stock market also looked somewhat subdued and although leading shares managed a scattering of small gains, there was selling pressure across the broader range of the market.

Trading was halted on the New York Stock Exchange for 40 minutes from 2.51 pm yesterday because of technical problems with the transactions tape. Trading resumed at 3.30 pm but the tickertape did not start again until just before the 4 pm close of the market, when the tape was still about 15 minutes behind.

The Dow Jones Industrial average ended 1.73 up at 1261.38 on reported turnover of 67.9m shares with 8.61 shares recording gains against 667 with losses. Standard and Poor's composite and 100-stock indices also managed minor gains but both the American Stock Exchange and the Nasdaq indices had slight falls.

The key Federal Funds rate continued to trade between 9⅛ and 9¾ per cent, unaffected by generous repurchase arrangements by the Federal Reserve, which were ascribed to purely technical market factors.

The market found little comfort from Mr Preston Martin, vice-chairman of the Fed, who told an investment conference that he expects interest rates to "remain volatile."

Nor was sentiment much helped by a caution from Mr Henry Kaufman, Salomon Bros' economic guru, that a reduction in the U.S. budget deficit "may produce a brief but dramatic bond rally but not an enduring reduction in interest rates" beyond a few months.

On the American Stock Exchange, Imperial Chemical, Traded in the form of American Depository Receipts (ADRs), had another busy session with some sellers appearing after reports that U.K. investors take a less sanguine view of the company than do the recent U.S. buyers.

A further 1.8m ICI stock was traded, with the price dipping $⅛ to $8⅞. But a block of 1m shares was traded at $9, with Morgan Stanley, depository bank for Imperial Chemical, participating in both the buy and sell sides of the deal.

AT & T edged forward to $65⅛.

Motor issues provided one of the best sectors, helped by the latest sales figures. Ford was in demand after announcing a stock split and higher dividend payment, and put on $2⅝ to $68⅝. General Motors jumped $1⅛ to $78⅜ and Chrysler added $1¼ to $31⅛.

Eastern Air Lines ran into further sellers despite its agreement with the unions, and the stock dipped $⅛ to $8. United Air Lines was $¼ up at $29⅝.

A weak spot in chemicals was Union Carbide, $1⅝ down at $66.

The third quarter reporting season gathered pace. Chemical Bank added $⅝ to $43⅜ on good results. Other major names to report were Pepsico, $½ off at $35⅛ and CBS, $⅜ higher at $78⅝.

Great Western Financial, a major savings and loan group, dipped $⅛ to $26 despite a turnround into profit in the third quarter.

Mead and Great Northern Nekoosa both moved up on improved results. Mead added $⅛ to $35⅜ and Nekoosa at $53⅜ was $⅜ better.

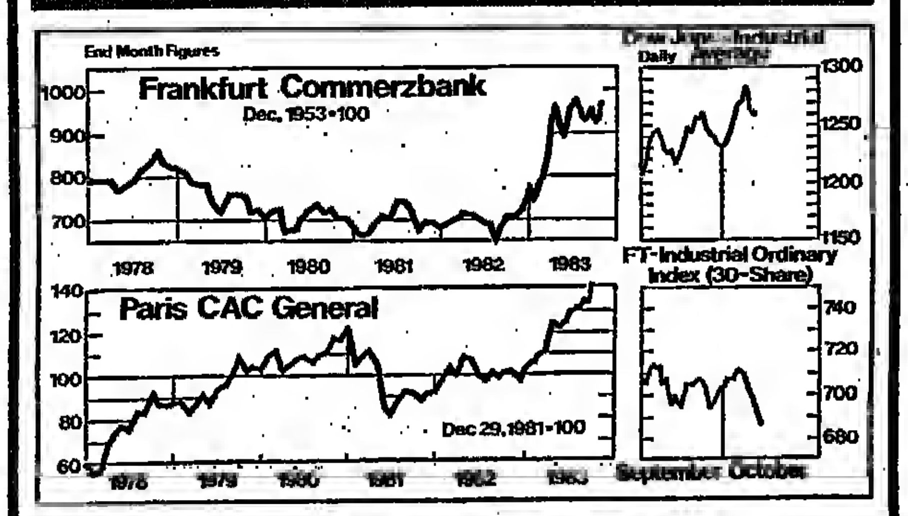
TRW eased $⅜ to $75⅛, on lower earnings. But Raytheon, the defence industry stock, added $1⅛ to $48⅛ despite a slight dip in profits. Hercules – which has a stake in Erbamount, the drug subsidiary of Montedison of Italy – put on $⅜ to $37⅛ after disclosing higher profits.

The credit market traded quietly, with short-term issues marked to slightly higher yields in line with the latest auction of Treasury bills. Three-month issues edged up to a discount of 8.78 per cent and the six-month to 8.95 per cent.

The key long bond closed ¹⁄₃₂ lower at 102²⁷⁄₃₂ to yield 11.68 per cent.

With the federal funds at 9⅛ per cent, the Fed announced overnight and four-day system repurchase arrangements. This left the market unmoved, with the funds still trading in the 9⅛ to 9¾ per cent range.

KEY MARKET MONITORS



STOCK MARKET INDICES	Oct 13	Previous	Year ago
NEW YORK			
DJ Industrials	1261.38	1259.65	1015.08
DJ Transport	577.04	578.36	407.97
DJ Utilities	137.38	137.14	122.32
S&P Composite	169.87	169.62	136.71
LONDON			
FT Ind Ord	686.0	692.1	604.9
FT-A All-share	431.98	436.44	377.98
FT-A 500	470.63	475.21	420.77
FT-A Ind	423.92	428.12	390.13
FT Gold mines	548.9	549.1	421.5
FT Govt secs	81.06	81.4	83.10
TOKYO			
Nikkei-Dow	9472.35	9563.25	7411.48
Tokyo SE	690.75	697.47	554.07
AUSTRALIA			
All Ord.	695.4	695.3	523.2
Metals & Mins.	521.6	521.4	426.4
AUSTRIA			
Credit Aktien	54.89	54.73	47.53
BELGIUM			
Belgian SE	128.59	128.86	101.43
CANADA			
Toronto Composite	2487.0	2485.1	1799.4
Montreal Industrials	445.07	444.56	324.55
Combined	423.05	422.99	309.41
DENMARK			
Copenhagen SE	186.19	188.39	90.66
FRANCE			
CAC Gen	141.0	140.7	100.0
Ind. Tendance	149.9	149.2	117.5
WEST GERMANY			
FAZ-Aktien	327.33	325.36	238.5
Commerzbank	970.0	963.7	722.2
HONG KONG			
Hang Seng	738.51	736.68	867.25
ITALY			
Banca Comm.	187.88	186.73	159.15
NETHERLANDS			
ANP-CBS Gen	143.5	143.8	93.6
ANP-CBS Ind	117.1	117.3	71.6
NORWAY			
Oslo SE	213.57	212.88	103.28
SINGAPORE			
Straits Times	945.76	947.44	689.2
SOUTH AFRICA			
Golds	772.4	763.6	745.6
Industrials	914.5	917.6	698.2
SPAIN			
Madrid SE	112.17	119.65	102.87
SWEDEN			
J & P	1424.38	1439.49	711.23
SWITZERLAND			
Swiss Bank Ind	342.0	342.1	260.0
WORLD	Oct 12	Prev	Yr ago
Capital Int'l	182.9	184.2	145.8

GOLD (per ounce)	Oct 13	Prev
London	$398.25	$394.875
Frankfurt	$399.00	$394.75
Zürich	$398.00	$395.50
Paris (fixing)	$399.58	$397.11
Luxembourg (fixing)	$397.50	$396.20
New York (Oct)	$399.20	$397.10

* Indicates latest pre-close figure

CURRENCIES	U.S. DOLLAR		STERLING	
(London)	Oct 13	Previous	Oct 13	Previous
$	–	–	1.5	1.504
DM	2.604	2.6145	3.9075	3.935
Yen	232.95	234.25	349.5	352.5
FFr	7.9635	7.9875	11.945	12.01
SwFr	2.1135	2.123	3.1725	3.195
Guilder	2.917	2.9325	4.3775	4.4125
Lira	1581.5	1586.5	2372.0	2385.5
BFr	53.01	53.22	79.55	80.05
C$	1.23225	1.23275	1.8485	1.854

INTEREST RATES	Oct 13	Prev
Euro-currencies (three month offered rate)		
£	9⁷⁄₁₆	9⁷⁄₁₆
SwFr	4¼	4⅛
DM	5⅞	5⅞
FFr	14¾	14⅞
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¾	9¹³⁄₁₆
6-month U.S.$	9⅞	9¹⁵⁄₁₆
U.S. Fed Funds	9½	9⅝
U.S. 3-month CDs	9.30	9.30
U.S. 3-month T-bills	8.79	8.78

U.S BONDS	Oct 13		Prev	
Treasury	Price	Yield	Price	Yield
10⅞ 1985	100¹³⁄₃₂*	10.51*	100¹³⁄₃₂	10.63
11½ 1990	99²⁷⁄₃₂*	11.53*	99²⁹⁄₃₂	11.53
11⅞ 1993	101¹⁵⁄₃₂*	11.59*	101¹⁹⁄₃₂	11.57
12 2013	102²⁷⁄₃₂*	11.65*	103	11.63
Corporate	Oct 13		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	93¾*	11.75*	94½	11.65
3⅞ July 1990	68⅞*	10.45*	69	10.40
8⅜ May 2000	75¾*	12.10*	76½	12.05
Xerox				
10⅞ March 1993	92⅝*	11.95*	93½	11.90
Diamond Shamrock				
10⅞ May 1993	90⅜*	12.30*	92⅝	12.15
Federated Dept Stores				
10⅞ May 2013	87½*	12.25*	87.823	12.15
Abbot Lab				
11.8 Feb 2013	96.396*	12.25*	97.168	12.15
Alcoa				
12⅛ Dec 2012	96.152*	12.75*	96.892	12.65

FINANCIAL FUTURES	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	71–05	17–21	71–03	71–17
U.S. Treasury Bills (IMM) $1m points of 100%				
December	90.80	90.97	90.96	90.96
Certificates of Deposit (IMM) $1m points of 100%				
December	90.24	90.35	90.21	90.34
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.16	90.23	90.16	90.16
20-year Notional Gilt £50,000 32nds of 100%				
December	105–01	106–03	105–00	105–31

COMMODITIES (London)	Oct. 13	Prev
Silver (spot fixing)	681.40p	681.05p
Copper (cash)	£968.50	£962.50
Coffee (Nov)	£1903.50	£1907.50
Oil (spot Arabian light)	$28.70	$28.47

LONDON

Kickoff by Spurs but no score

SOME EARLY excitement attended the debut of shares in Tottenham Hotspur Football Club on the London Stock Exchange but later, the market relapsed into its present spell of quietly dull trading. The FT Industrial Ordinary index ended down 6.1 at 686.0.

Shares in Spurs opened at par of 100p but slipped to 94p following the appearance of a large seller, before rallying again to 100p, below expectations.

Elsewhere, the day's major casualty was Thorn EMI which fell 30p to 570p after a leading broker downgraded profits forecast.

Domestic profit-taking in ICI outweighed U.S. support to leave the price 6p lower at 590p.

Easier gilts were inhibited by confusion about the Federal Reserve's monetary policy. *Details, Page 33; Share Information Service, Pages 34–36*

AUSTRALIA

AN INITIAL extension of Wednesday's resource-led Sydney declines was corrected to leave a steady close, while confusion in interpreting test flows from a new Timor Sea oilwell brought divergent movements for the three interest holders.

Of these, BHP slipped 10 cents to A$12.35, Weeks firmed three cents to A$1.06 and Ampol Exploration held at A$3.50.

Elsewhere Metals Exploration shed eight cents to 77 cents on a planned one-for-six rights issue.

HONG KONG

THE TYPHOON approaching Hong Kong shut banks and financial markets at the end of morning business, and the stock exchange is due to remain closed today.

The rush homeward apparently left some investors awkwardly placed with holdings which they were keen to dispose of at lower than usual prices. A nascent rally, which by 11 am had taken the Hang Seng index 8.16 higher, fell away by the 12.30 shutdown, when the index stood just 1.83 firmer at 738.51.

SINGAPORE

CONTINUED reluctance to make new commitments ahead of next week's Malaysian budget left shares slightly lower in Singapore. The Straits Times industrial index fell 1.68 to 945.76.

The major banks closed unchanged and property issues were generally lower or unchanged. Industrials were mixed with Sime Derby four cents ahead at S$2.36 in active trade but Cold Storage two cents easier at S$4.94.

SOUTH AFRICA

GOLD SHARES edged higher in line with a slightly improved bullion price in Johannesburg. Of the heavyweight producers, President Steyn closed R1.50 firmer at R51 while among the cheaper priced producers, Venters added 75 cents at R17.

Mining financials and other precious metal and mineral sectors also firmed slightly where changed. Other minings and industrials were narrowly mixed.

CANADA

SMALL gains in the metals, oils and gold sectors led Toronto shares higher in slow trading. Eight of the 14 major indices showed advances and declines were led by the real estate and merchandising sectors.

A small overall advance was also seen in Montreal.

TOKYO

Slide amid post-Tanaka confusion

A DROP in Hitachi stock in Tokyo yesterday afternoon touched off a broad decline of high-priced blue chips, while most investors remained unsure how the conviction of Mr Kakuei Tanaka, the former Japanese Prime Minister, in the Lockheed bribery scandal would affect the short-term political outlook, *writes Shigeo Nishiwaki of Jiji Press*.

The Nikkei-Dow average of 225 select issues, which on Wednesday had reached an all-time high, shed 90.90 to finish at 9,472.35. Volume increased to 437.58m shares against 339.37m in the previous session. Losses outpaced gains 292 to 381, with 153 shares unchanged.

The growing political uncertainty combined with a second decline on Wall Street and the yen's easing against the U.S. dollar to narrow investor interest to speculative issues, where the opportunity existed for quick profits in drifting trading during the morning.

But renewed concern over an out-of-court settlement with IBM on its industrial espionage case put heavy selling pressure on Hitachi, which lost Y12 to Y893. TDK dipped Y150 to Y4,850 and Sony Y100 to Y3,720. Fujitsu was also off Y50 to Y1,350, Matsushita Electric Industrial Y30 to Y1,720, Pioneer Electronic Y100 to Y2,860 and Fuji Photo Y60 to Y2,190.

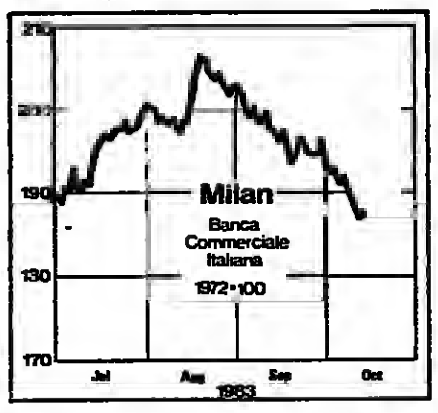
Non-ferrous metals, which held steady in early trading, also turned down, with Mitsui Mining and Smelting dropping Y25 to Y605, Mitsubishi Metal Y13 to Y447, and Dowa Mining Y12 to Y508. The yen's downward trend invited selling of oil and trading issues.

Nippon Oil lost Y40 to Y1,190 and Toa Nenryo Y30 to Y1,240, while Sumitomo shed Y17 to Y505, Mitsui Y18 to Y381, and C. Itoh Y6 to Y305.

But middle-priced construction issues remained firm on hopes for increased public works spending, with Tokyu Construction advancing Y86 to Y485 and Sato Kogyo Y17 to Y257. Godo Shusei, a liquor and pharmaceutical maker believed to be the target of stock cornering, shot up Y34 to Y419.

Bond prices extended Wednesday's decline as investors were discouraged by the yen's weakness. Trust banks and institutions related to agriculture and forestry bought sporadically at low prices, but buying interest was generally subdued.

The barometer 7.5 per cent government bonds, maturing in January 1993, were traded to yield a high of 7.73 per cent compared with the previous close of 7.68 per cent. The yield, however, dropped to 7.705 per cent later on small-lot buying.



EUROPE

Strength mainly in the south

THE SMALLER southern European bourses provided the day's sparkle yesterday as their larger and usually more favoured counterparts to the north continued a drift into a period of consolidation from which no decisive direction has yet emerged.

Part of a Milan advance, which took the Banca Commerciale index 0.95 upward at 187.88, was attributable to squaring of positions ahead of the end of the current trading month.

But a boost to buying incentive came from assurances by Sig Bruno Visentini, the Italian Finance Minister, that new taxation would not be as wide-ranging as some had feared, and would not intrude on Treasury bills and certificates.

Two session of sharpish losses were reversed to give insurance leader Generale a L550 rally at L138,050 and Banca Commerciale itself a L400 improvement to L27,400, while Credito Varesino gained L36 to L4,001.

Madrid, which has languished under the Socialist administration, extended this week's revival to put the exchange's general index at its highest for the year, up 1.52 at 121.17.

A strong chemicals and energy sector showed Petroleos Pta 4 ahead at Pta 101.50; elsewhere Dragados added Pta 6 to Pta 138 and Telefonica Pta 2 to Pta 93. Banks were neglected, however.

Firmness was to be found only among selected Frankfurt issues, with U.S. demand for car makers particularly strong.

A rights issue by Mercedes, up DM 15 at DM 552, matched one previously announced by Daimler-Benz, which gained another DM 10 to DM 610. VW rose DM 5.30 to DM 233.10 and BMW DM 6 to DM 395.50.

Bonds were steady: a new DM 850m 8¼ per cent federal railway loan stock issue was sought less a half to its par issue price, thus matching the half-point average secondary market slide on Wednesday. The Bundesbank sold DM 42.9m in paper.

Ennia in insurers was an isolated Amsterdam firm spot, Fl 3.50 ahead at Fl 167 on foreign demand. Publisher Elsevier, another recent star, succumbed to profit-taking with a Fl 4 dip at Fl 436. Government bonds firmed.

As residual hopes of a softening in Sweden's proposed wage-earner funds law were dashed, Stockholm again drifted lower, Stora Kopparberg in forestry slid SKr 15 to SKr 525 despite a profits advance, while Swedish Match eased SKr 3 to SKr 240 ahead of its better figures.

A steady but slow Zurich was featured largely by UBS in banks after investment bank J. Vontobel predicted a dividend increase soon for the first time since 1970. The stock jumped SwFr 20 to SwFr 3,150.

A marginally firmer Paris showed Pernod Ricard strong with a FFr 34 gain at FFr 906 but Peugeot again affected by state rejection of layoff plans: it fell FFr 6.50 to FFr 198.

A better Belgian franc and trade picture prompted little Brussels enthusiasm. Cockerill-Sambre, recovering in recent days, gave up BFr 10 to BFr 166.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¼	6⅝	AAR	.44	2.8	20	74	15¾	15⅝	15¾	+ ⅛
52⅞	29½	ACF	1.40	2.8	64	403	50¾	50⅛	50¾	
20	14⅛	AMF	.50	2.8		784	18	17½	17⅞	+ ⅛
39⅞	15	AMRCp			40	6122	27⅞	26⅞	27	− ⅜
18¾	14⅜	AMR	pf2.18	12.		45	18⅝	18½	18½	− ⅛
39⅞	24⅞	AMR	pf2.19	6.0		14	31	30⅝	31	
15⅞	2½	APL			31	116	15⅛	14⅝	15	+ ⅛
55	31⅛	ARA	2.05	4.6	13	36	51¼	51	51¼	+ ¼
79⅞	49	ASA	3a	5.3		180	56⅝	56	56½	+ ½
33⅛	10	AVX	s .32	1.2	66	122	27⅛	26⅞	27	+ ⅛
53⅞	34⅞	AbtLab	1	2.0	19	613	51⅝	51¼	51¼	− ⅛
30⅜	22⅞	AccoW	n.50	2.0	19	55	24⅞	24⅛	24¼	− ¼
27½	16⅞	AcmeC	.40	1.7		20	23½	23½	23½	− ⅛
14⅜	7⅞	AcmeE	.32b	2.8	291	6	11⅛	11⅛	11⅛	− ⅛
24½	6	AdaDg	.04	.2	29	20	u24⅝	24⅜	24⅝	+ ⅛
17⅞	14⅜	AdaEx	1.73e	10.		47	17½	17¼	17⅜	
18¼	6⅛	AdmMl	.24	1.4	6	17	17¼	16¾	17	− ⅛
18⅝	8⅜	Advest	s.12	.9	7	62	13⅞	13⅝	13½	+ ⅛
34⅞	10⅝	AMD			54	1967	31¼	31	31⅜	+ ⅛
24⅝	12⅝	Aerflx	s		17	93	16⅝	16⅜	16⅝	
44⅝	32⅞	AetnLf	2.64	7.0	7	3642	38	37¼	37⅝	− ⅛
[illegible]										

A—B—B / C—C—C / D—D—D / E—E—E / F—F—F / G—G—G / H—H—H / I—I—I / J—J—J / K—K—K / L—L—L / M—M—M / N—N—N

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close

Continued on Page 32

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 30

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29½	24¼	WashGs	2.88	10	7	99	28⅜	28¼	28¼	−⅛
37⅛	19⅛	WshNat	1.08	3.8	12	280	29⅛	28½	28¼	+¼
69¾	35½	WasN	pf2.50	4.8		2	54	54	54	+1¼
22¼	16½	WshWt	2.40	12	7	164	20½	20¼	20¼	−¼
67⅞	39½	Waste	.68	1.6	17	7986	44¾	42	42½	−¼
92	39	Watkin	.68	.9	17	48	80½	79	79	−½
30	17¼	WayG	pf1.60	5.7		1	28	28	28	
9	3½	WeanU				111	8⅞	8½	8¾	+⅛
25	6½	WebbD			44	273	19	18⅝	18½	−⅛
40⅜	21¼	WeisM	s.56	1.6	15	6	34¼	34¼	34½	−¼

Continued on Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 week's plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 31

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 31

[illegible]

CANADA

[illegible]

DENMARK

[illegible]

NETHERLANDS

[illegible]

AUSTRALIA

[illegible]

JAPAN (continued)

[illegible]

FRANCE

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

HONG KONG

[illegible]

GERMANY

[illegible]

SWEDEN

[illegible]

SINGAPORE

[illegible]

AUSTRIA

[illegible]

JAPAN

[illegible]

SOUTH AFRICA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xs Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL / TORONTO

[illegible]

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

[illegible]

(**) Saturday Oct. 8: Japan Dow (c) TSE (c).
Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

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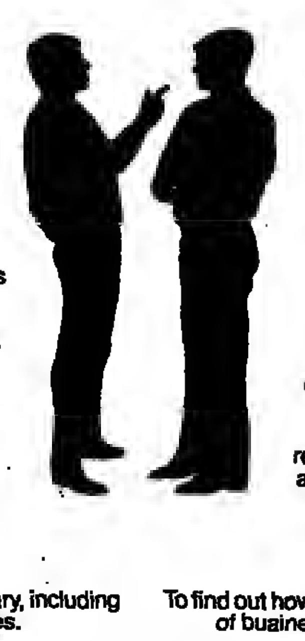

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LONDON STOCK EXCHANGE

MARKET REPORT

Sentiment deteriorates and index falls 6.1 to 686.0

Thorn EMI depressed, Reed Int. firm

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21

* "New-time" dealings may take place from 9.30 am two business days earlier.

Once the early excitement surrounding Tottenham Hotspur Football Club's debut had abated, the London equity market relapsed into its current spell of quietly dull trading. Opening lower in sympathy with Wall Street's overnight slip, leading UK equities were soon retreating again on lack of support and sporadic bouts of selling. Offerings were sizeable in places with Life Insurance shares suddenly particularly vulnerable.

Recent suggestions and yesterday's pre-9.30 am indications of an opening premium of 8 on the 100p offer-for-sale price in Tottenham Hotspur proved wide of the mark, the shares opening at par. They soon slipped to an early discount of 6 at 94p following the appearance of a large seller before rallying to finish a rather disappointing debut at 100p, after 101p.

Elsewhere, the recently beleaguered Electrical sector provided the day's major casualty as Thorn EMI fell 30 to 570p on selling induced by a leading broker downgrading an earlier profits forecast. GEC, on the other hand, rallied to 183p on talk of a substantial British Telecom order.

Following another heavy turnover in ICI in New York, London dealers saw another brisk business in the shares. Domestic profit-taking finally outweighed renewed American support to leave the price 6 easier at 590p, after 584p. The FT 30-share index, down only 0.3 at 10 am, gradually gave ground to end 6.1 off at the day's lowest of 686.0; this represents a drop of 25.4 over the last five trading sessions.

Reed International provided an outstanding bright spot with a jump of 18 to 332p, after 338p, on Press reports, later confirmed, that the group is to sell off its Mirror Group newspaper interests in the first-half of next year.

Business in gilts was again inhibited by confusion about the Federal Reserve's monetary policy and the future direction of short-term interest rates. Quotations of conventional funds eased further in the absence of support with the medium- and longer-dated stocks sustaining falls to ⅜. The shorter-dated maturities closed mixed, and the FT Government Securities index shed 0.34 more to 81.06.

Life Insurances weak

After digesting the terms and attractions of £30-paid Treasury 2½ per cent Index-linked 2020 stock, trade in which starts at 9.30 am today, dealers marked prices of existing index-linked issues down by a further ⅛ after Wednesday's late downward adjustments ranging to a point. Treasury 2½ per cent Convertible 1999 lost ⅛ to £95⅛.

Life Insurances were thoroughly depressed. Dealers were on the defensive from the outset, as some sizeable lines of stock came on offer and prices retreated sharply. Double figure falls were commonplace, especially among the heavier-priced issues, with Legal and General, 452p, and Pearl, 660p, both losing 14. Prudential gave up 10 to 408p and Sun Life 12 to 510p, while London and Manchester, a relatively thin market, dropped 18 to 372p. Equity and Law Life shed 15 to 665p and Hambro Life 6 to 428p. Composites also came under pressure, but usually managed to edge off the day's lowest levels. Eagle Star finished 7 down at 450p, after 448p, as did Royals, at 483p, after 480p. GRE ended 10 lower at 447p and General Accident 9 off at 403p.

World debt problems continued to cause concern among the major clearing banks. Barclays gave up 7 more to 435p, while Lloyds, 440p, Midland, 385p, and NatWest, 565p, all shed 5. Among Discount Houses, Clive hardened a penny to 42p following the interim dividend announcement. First National Finance lost 3½ to 60p on end-Account selling.

Drab conditions again prevailed among Breweries. Grand Metropolitan shed 6 more to fall to a 1983 low of 307p. Bass fell 8 to 307p, and Allied-Lyons 3 to 133p. Elsewhere, Arthur Bell eased 3 for a two-day loss of 8 at 120p; the 9½ per cent Convertible closed 7 points down at £148.

Buildings gave further ground. Blue Circle lost 7 to 413p and Redland 6 to 248p, while scattered selling left Barratt Developments 10 down at 182p and clipped 8 from Higgs and Hill to 284p. A. Monk, a rising market recently on bid hopes, encountered end-Account offerings and lost 5 to 132p. Against the trend, Taylor Woodrow hardened 10 to 525p, while Pochins firmed 5 for a two-day gain of 23 to 215p in response to the good preliminary results. John Mowlem touched 190p before reverting to unchanged at 188p following the interim statement. In Timber issues, Meyer International lost 7 to 139p and Magnet and Southerns 10 to 142p. Travis and Arnold, however, edged up 3 to 328p. Elsewhere, Ruberoid continued to reflect the uninspiring interim results and shed 7 more to 273p.

After Wednesday's jump of 20 in the wake of strong American demand, ICI reacted to 584p as domestic sellers gained the upper hand but renewed U.S. buying in the late dealings left the shares only 6 down on balance at 590p. Apart from Laporte, which eased 5 to 282p, other Chemicals stayed close to overnight levels.

MFI rights issue

The continued absence of institutional support prompted a further mark-down of leading Stores which closed with falls extending to double-figures. Gussies "A" dipped 10 to 538p, while House of Fraser shed 8 to 218p. British Home, interim statement due next Wednesday, gave up 7 for a two-day fall of 10 at 215p. Sentiment was further unsettled by the proposed rights issue from MFI, 11 cheaper at 130p, after 128p; Harris Queensway dipped 12 lower at 270p in sympathy. Among electrical retailers, Comet remained out of favour and shed 8 more to 288p but, following the chairman's confident statement at the annual meeting, Dixons recovered from an earlier 197p to finish 2 up on balance at 200p. Empire, the smallest of the quoted mail-order houses, fell 4 to 68p on the reduced first-half deficit. Others to lose ground included Mellins, 6 off at 98p and Lee Cooper, 4 cheaper at 133p; the latter is due to announce interim results today. Time Products bucked the trend following the interim profits recovery and hardened a couple of pence to 19p.

A down-grading in analysts' profits forecasts caused marked weakness in Thorn EMI which closed around the day's lowest with a fall of 30 to 570p. Other leading Electricals, in contrast, traded on a firmer note. GEC, boosted by talk of a big British Telecom contract, improved 5 to 183p. Plessey edged up 3 to 201p and Racal closed a penny firmer at 187p. Widespread and sometimes heavy losses were sustained by electronic and computer issues, the latter partly reflecting fears of growing competition. Electrocomponents fell 18 to 235p and United Scientific 12 to 343p, while Unitech closed 10 down at 195p. Air Call fell 20 to 410p. Applied Computer dipped 45 to 385p and falls of 15 were marked against Memory Computer, 245p, and CASE, 370p. UEI became sensitive to offerings in front of today's interim statement and fell 16 to 204p. Among the occasional bright spots, F. W. Thorpe, up 5 at 180p, reflected good preliminary figures, while satisfactory results lifted Highland Electronics a penny dearer at 67p, after 70p.

Apart from Hawker, which dropped 4 to a 1983 low of 278p, Engineering leaders rarely strayed from the overnight levels. Elsewhere, Ash and Lacey gave up 5 for a two-day decline of 30 at 460p on the disappointing first-half profits, while Haden lacked support and fell 8 to 208p. Vosper, 205p, and Yarrow, 310p, both restricted markets, gave up 15 and 10 respectively. Belgrave (Blackheath), on the other hand, encountered revived speculative support and firmed 10 to 85p. Cooper Industries hardened 2 to 10½p on the announcement that Brockhouse had sold its entire stake in the company while Brown and Tawse hardened a penny to 94p, after 96p, in response to an investment recommendation.

Foods were unscathed for the most part, but leading Hotels and Caterers came under pressure. Ladbroke, a good market at the start of the Account following publicity given to the group's U.S. operations, gave up 8 to 200p.

Hoover jump

Hoover became a late feature, the "A" shares rallying from 185p earlier to close 17 up on the day at 205p on talk of an imminent bid from the U.S. parent.

Among the miscellaneous industrial leaders, Beets followed the lower trend in Stores with a fall of 6 to 145p. BTR drifted 10 lower at 535p, but Glaxo became a steadier market after the recent setback on the results and closed only a couple of pence cheaper at 705p. Johnson Matthey remained a depressed market following the announcement of the heavy U.S. jewellery losses and gave up 8 more to 200p. Chubb fell 6 to 136p on the resignation of the managing director, but Royal Worcester continued to make headway at 335p, up 5, pending further bid developments. Photo-Me responded to the preliminary figures and proposed one-for-five scrip issue with a rise of 15 to 735p, after 745p. Diploma were noteworthy for a fall of 18 to 405p along with Fisons, which reacted 20 to 665p. Broken Hill Proprietary gave up 14 to 744p following the Jabiru well drilling report.

The Leisure sector provided a couple of firm spots in Barr and Wallace Arnold Trust "A," 3 up at 113p awaiting today's interim results, and Leisuretime International, which hardened a couple of pence to 62p on new-time interest. Campari remained a friendless market and shed 2 more to a 1983 low of 32p.

Motor sectors escaped relatively lightly from the general shake-out with the notable exception of Lucas, which declined 8 to 139p. Kwik-Fit, interim results due later this month, hardened a couple of pence to 56p, but BL reacted to scattered profit-taking and gave up 4 more to 56p. BSG International announced the expected upturn in interim profits and closed a fraction harder at 20p.

Selling in Properties increased, but losses in the leaders were generally confined to a couple of pence. Hammerson "A" eased 5 to 700p ahead of the interim results due today. Still awaiting bid developments, Cardiff Property, last week's high-flyer, came back 10 to 170p, while Stewart Nairn shed 3 to 39p. Five Oaks provided an isolated firm feature, gaining 2½ to 23p on new-time interest. Westminster Property hardened ½ to 33p following confirmation of Milbury's 35½p per share cash offer.

Coats Patons revealed mid-term profits well in excess of market estimates and the shares, a rising market recently, touched 74p before settling only a fraction harder on balance at 72½p.

Noteworthy movements among Investment Trusts were again mainly confined to Far-Eastern counters. Crescent Japan were briskly-traded and shed 17 to 612p, while G.T. Japan gave up a similar amount to 640p. Elsewhere, Moorside, in receipt of an agreed bid from Guinness Peat, added 2 more at 106p.

Oils ease

Financials continued to lose ground. Stockjobbers Akroyd and Smithers encountered sporadic profit-taking and dipped 11 to 406p, while Smith Bros eased 2 to 50p. Antofagasta firmed 4 to 72p following the realisation of investment totalling around £1.8m.

Sustained recently by the threat to crude supplies because of the worsening Iraq/Iran situation, Oil shares failed to escape the general malaise. BP held up relatively well, closing only 2 cheaper at 430p, but Shell recorded a fall of 8 to 576p, while Lasmo ended 6 cheaper at 287p and Ultramar 13 down at 617p. Aran were quoted ex rights at 37p, with the new shares at 7p premium.

Quiet Mines

Notable price changes in mining markets were few and far between.

The three main sectors, South African Golds, UK-registered Financials and Australians tended to drift lower on lack of interest.

This was especially the case in Australians, which gave ground on fears of further rights issues following those announced earlier this week by Ashton Mining and Metals Exploration.

The latest test result from BHP's Jabiru well in the Timor Sea was said to be an additional depressant.

Golds moved against the trend, with Gold Mines of Kalgoorlie 10 firmer at 610p and North Kalgurli 2 harder at 63p.

South African Golds ended with minor losses on balance despite a firm performance by the bullion price, which closed a net $3.375 up at $398.25 an ounce.

Among the heavyweights, demand was reported in Randfontein, ½ to the good at £80½, and Kloof, ⅛ firmer at £28⅛. On the other hand, Hartebeest gave up ½ at £45½ and Southvaal eased ¼ to £37. Vlakfontein held at 223p amid rumours of an imminent capital repayment.

Renewed weakness in the UK equity market prompted persistent small selling of London-domiciled Financials. RTZ fell 9 for a two-day loss of 25 to 540p, while Consolidated Gold Fields retreated a further 7 to 513p and Charter Consolidated 5 to 215p.

South African Financials mirrored the trend in Golds and closed with modest losses but Platinums were again subjected to sizeable selling from the Continent which left Lydenburg 15 off at 520p and falls of 10 common to Impala and Rustenburg at 810p and 680p respectively.

Demand for Traded Options continued to improve and 2,663 contracts were struck—1,845 calls and 818 puts. ICI attracted the lion's share of the business, recording 498 calls, 209 in the popular October 550's, and 175 puts. Oil issues also attracted a fair measure of attention with BP and Shell recording 289 and 350 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Oct. 13	Oct. 12	Oct. 11	Oct. 10	Oct. 7	Oct. 6	year ago
Government Secs.	81.06	81.40	81.66	81.58	82.17	82.07	83.10
Fixed Interest	84.44	84.50	84.90	84.83	84.83	84.64	84.26
Industrial Ord.	686.0	692.1	698.2	701.1	709.8	711.4	604.9
Gold Mines	548.9	549.1	572.7	570.9	569.7	566.5	421.6
Ord. Div. Yield	4.94	4.88	4.85	4.79	4.73	4.72	4.67
Earnings, Yld.% (full)	9.78	9.68	9.60	9.02	9.41	9.39	10.35
P/E Ratio (net) (*)	12.80	12.94	13.04	13.15	13.31	13.34	11.61
Total bargains	19,695	20,094	19,819	19,987	18,862	20,432	24,756
Equity turnover £m.	—	195.55	160.56	171.32	182.59	196.47	236.48
Equity bargains	—	16,031	16,850	16,945	14,509	14,978	21,599
Shares traded (ml)	—	117.7	103.9	103.2	101.9	120.1	164.4

10 am 691.8. 11 am 689.2. Noon 688.5. 1 pm 688.0. 2 pm 687.9. 3 pm 687.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.04

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.90 (11/10)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 12	Oct. 11
Daily		
Gilt Edged Bargains	156.0	182.9
Equities Bargains	97.4	102.7
Equities Value	319.2	524.7
5-day Avrge		
Gilt-Edged Bargains	154.2	154.4
Equities Bargains	100.2	101.2
Equities Value	365.0	372.9

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (21)

COMMONWEALTH AND AFRICAN LOANS (1)
Australia 6pc 1981-83
AMERICANS (1)
Quaker Oats
CHEMICALS (2)
Ciba-Geigy 8pc Cv. 1982-85 | Hoechst Fin. 10pc Unsd.Ln. 1990
ELECTRICALS (1)
Mellerware Intl.
ENGINEERING (1)
Cooper Inds.
INDUSTRIALS (9)
Camrex | Eison & Robbins | Dowild SpcCv. '87-92 | Reed Intl. | Royal Worcester | Sterling Inds. | Three Mile Inv. | Widney
MOTORS (2)
Tate of Leeds | Young (H.)
TRUSTS (4)
Anglo Scot. Inv. | Danae Cap. Shs. | Moorside Trust | Antofagasta 5pcCm.Pf

NEW LOWS (43)

BRITISH FUNDS (3)
Exch. 13¼pc 1993 | Treas. 10pc 1997 | Treas. 5½pcCnv. '88
CORPORATION LOANS (1)
London Corp. 13¼pc 1983
CANADIANS (1)
Rio Algom
BREWERS (6)
Bell (Arthur) | Do. 9½pcCv. 99-01 | Forshaws Burtonwood | Greenall Whitley | Greene King | Morland
BUILDINGS (2)
AMEC | Johnstone's Paints
STORES (1)
Gent (S. R.)
ELECTRICALS (8)
A & C Security Elect. | Automated Sec. | Immed. Bus. Systems | M. K. Electric | Mnemos | SCUSA Inc. | Security Tag Systems | TDK Corp.
ENGINEERING (3)
Hawker Siddeley | Mollins | Wellman
FOODS (1)
Clifford's Dairies
HOTELS (1)
Grand Met.
INDUSTRIALS (9)
Airship Inds. | Beecham | Celestion Inds. | Crest Nicholson | Ecobric Deld. | Johnson Matthey | Ricardo Cons. Eng. | Ryan Intl. | Stag Furniture
INSURANCE (1)
London Utd. Invs.
LEISURE (2)
Adam Leisure | Campari Intl.
PROPERTY (1)
Edmond Hldgs.
TRUSTS (2)
M & G Dual Inc. | 2nd Dual Cap.
MINES (1)
Kalbara Mining

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Glaxo	20	707	−18
Moorside Trust	17	104	+10
ICI	15	596	+20
RTZ	15	549	−16
Telemetrix New	13	22	[illegible]
Acorn Comp	12	118	[illegible]
B. H. Prop	12	758	[illegible]
Ferranti	11	[illegible]	[illegible]
Beecham	11	303	[illegible]
Farnell Elect	10	325	−15
Frand Mel	10	313	[illegible]
London Brick	10	198	[illegible]
Racal Elect	10	186	[illegible]
BTR	8	545	[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	7	86	10
Corpns Dom & Foreign Bonds	2	0	83
Industrials	126	469	758
Financial & Props	32	208	270
Oils	13	29	29
Plantations	4	2	15
Mines	37	57	56
Others	21	24	36
Totals	242	864	1,348

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct 10	Oct 21	Jan 12	Jan 23
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20

For rate indications see end of Share Information Service

Call options were transacted in Premier Oil, Inter-City, Nimslo, Combined Technologies, Britannia Arrow, Rotaprint, London Brick, Polly Peck, Metal Sciences, Cable and Wireless, Wearwell, Eagle Star, R. O. Boardman, W. E. Norton, Britoil, Tottenham Hotspur, Dunton Group, GEC, Cosalt and Tricentrol. Puts were done in Acorn Computers and ICI, while a doubles was taken out in London Brick.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
[illegible]	[illegible]	[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs Oct 13 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Oct 12 Index No.	Tues Oct 11 Index No.	Mon Oct 10 Index No.	Fri Oct 7 Index No.	Year ago (approx) Index No.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Thurs Oct 13	Day's change %	Wed Oct 12	xd adj. today	xd adj. 1983 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Thurs Oct 13	Wed Oct 12	Year ago (approx.)
[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

* Corrected index for Oct. 11: 104.66. Yields: 5 years 12.03, 25 years 11.83.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] †† Dealt in under Rule 163 (3). ✣ Unlisted Securities Market.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	50	9	3	25	1	37	$398.50
GOLD C	$425	45	3	18	19	45	24	"
GOLD C	$450	3	1	9	6.50 B	28	15	"
GOLD C	$500	25	0.50	—	—	—	—	"
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 8,325

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oct. 13. Total Contracts 2,663. Calls 1,845. Puts 818. * Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

LOANS—continued

Financial

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97½	92	Inv in Ind 6¾pcDb'81-'84	97½	+¼	6.60	12.50
106½	96¼	Do. 10½pcUnLn '86	101	.....	10.69	11.40
104	96½	Do. 11pc Uns.Ln '88	102	.....	11.10	11.30
104½	97½	Do. 11¼pc Uns Ln. '90	102½	.....	11.99	11.98
106½	93½	Do. 12½pc Un. Ln. 1992	104¼xd	.....	12.04	11.80
78¼	74½	Do. 7¼pc A Deb '89-92	77	.....	9.60	11.70
77½	70½	Do. 7¼pcADeb '91-94	75xd	.....	9.80	11.50
87¼	80½	Do. 9% A '91-'94	86½	.....	10.51	11.30
86	72¾	Do. 8⅞pcLn. '92-97	83½	.....	10.78	11.35

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100½	98	N'wide 9⅛pc 31.10.83	100½xd	.....	—	—
100⅛	98	Do. 9⅞pc 28.11.83	99⅞xd	.....	9.88	10.14
100½	99⅜	Do. 11¼pc 19.12.83	100⅛xd	.....	10.24	10.45
100⅞	99	Do. 11⅞pc 23.1.84	100½	.....	11.83	10.46
100⅞	100	Do. 11⅞pc 13.2.84	100⅞	.....	11.87	10.28
100⅝	99	Do. 11¼pc 19.3.84	100⅞xd	.....	11.24	10.23
100⅞	99⅞	Do. 11¼pc 9.4.84	100¼xd	.....	12.16	9.62
100⅞	99½	Do 10⅛% 30/4/84	100¼xd	.....	10.60	9.27
100¾	99⅝	Do 10⅞% 29/5/84	100½	.....	10.82	10.03
100½	99½	Do. 10⅞pc 10.6.84	100⅝	.....	10.83	10.01
100½	99½	Do. 10⅝pc 9.7.84	100⅛	.....	10.53	10.40
100½	99¾	Do. 10⅞pc 30.7.84	100⅝	.....	10.83	10.39

FOREIGN BONDS & RAILS

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97¼	92⅝	Do. 11¼pc 2008	92½xd	−¼	12.08	12.14
105½	101½	Sweden 13½pc 1986	104	.....	12.98	11.59
111¼	95	Do. 13½pc Ln 2010	110½	.....	12.56	12.51

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101	97	Bath 11¼pc 1985	100¼xd	.....	11.22	11.10
103	99⅛	Birm'ham 12½pc 1985	102⅛	.....	12.24	10.97
105⅞	101½	Burnley 13pc 1987	104¼	.....	12.46	11.51
100	95½	Cardiff 11pc 1986	99	.....	11.11	11.39
102½	101	G.L.C. 13¼pc 1984	101⅛	.....	15.11	9.74
78¼	70½	Do. 6¾pc 90-92	74½	.....	9.18	11.83
87¼	82⅛	Herts 6¾pc 1985-87	86½	.....	7.80	11.17
118½	107½	Leeds 13½pc 2006	113¼xd	.....	11.96	11.84
100¼	97	Liverpool 9¾pc '80-84	99⅞	.....	9.76	9.89
30¼	27½	Do. 3½pc Irred.	29½xd	.....	12.07	—
102	100⅛	Lon. Corp. 13¼pc '83	100⅛	−⅛	13.23	10.16
97¼	93¼	Do. 9¼pc '84-85	96¼	.....	9.56	11.10
97	81¼	LCC 5½pc '82-84	96¼	.....	5.69	9.96
84	78¼	Do.5½pc '85-87	83⅜	−⅛	6.60	11.13
81	73	Do 6¾pc '88-90	79½	.....	8.68	11.57
26⅜	23¼	Do. 3pc '20 Aft.	25xd	.....	11.96	—
103	100	Sunderland 12¾pc 1984	101⅞	.....	12.82	10.40

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101¼	94¼	Aust. 6pc 1981-83	101⅜	+¼	6.02	2.78
79¼	74¼	N.Z. 7¼pc 1988-92	79¼xd	.....	9.39	11.42
92¼	86¼	Do. 7½pc '83-86	92¼xd	.....	8.35	12.02
181	158	S. Rhod. 2½pc Non-Ass.	181	.....	—	—
86	74	Do. 3½pc 80-85 Assd.	80	.....	4.38	15.60
57	44	Do. 4½pc 87-92 Assd.	54	.....	8.43	14.20
395	321	Zimbabwe Ann (£100pd)	337xd	.....	—	15.69

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
77½	71¼	Agric. Mt. 5pc '59-89	73¼xd	.....	6.96	11.60
35¼	31¼	Met. Wtr. 3pc 'B'	34¼	.....	0.71	11.51

AMERICANS

CANADIANS

1983 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Y'ld Gr's
12⅛	720p	Inco§	10½xd	−¼	$US20c	—	1.3
12	200p	Int'l Corona Res.	837p	−38	—	—	—
870p	665p	♥Intl Nat Gas $1	835p	.....	$1.10	—	7.1
402p	190p	Massey Ferg.§	358p	.....	8—	—	—
33	999p	♥Rio Algom	999p	−1	$1.50	—	2.0
18	13⅛	Royal Bk Can §	17¼xd	.....	$2.00	—	6.1
24⅛	15½	Seagram Co. C$1	23⅝	−⅛	US$0.68	—	1.9
90p	65p	♥Talcorp	70p	.....	—	—	—
145p	115p	♥Do pref $3	140p	.....	10%	—	11.6
10	662p	Tor. Dom. Bk. §	972p	−13	$0.72	—	4.0
13⅝	13	♥Trans Can Pipe	15⅛	−⅛	$1.40	—	5.0

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
345	190	AN2 $A1	335	+2	Q28c	3.1	5.2	6.4
295	235	Alexanders D. £1	245	−3	20.0	—	11.7	—
£93	£66	Algemene Fl.100	£85⅞	.....	Q26%	1.8	6.7	8.3
157	89	Allied Irish	138	.....	Q49%	4.2	6.9	4.7
110	77	Ansbacher (H.) 50p	80	.....	3.5	—	6.2	—
275	170	Bk. Ireland £1	240	.....	hQ24.9	—	8.1	—
3½	1½	Bank Leumi	1½#	.....	—	—	—	—
190	130	Bk. Leumi (UK) £1	165	.....	10.15	—	8.8	—
535	420	Bank Scotland £1	520xd	−5	†24.0	4.1	6.6	4.0
534	385	Barclays £1	435	−7	†22.0	3.6	7.2	4.4
310	235	Brown Shipley £1	303	+1	7.75	—	3.7	—
410	315	Cater Allen £1	375	.....	26.95	—	10.3	—
124	78	Charterhouse Gp.	90	.....	†5.18	1.6	8.2	(9.1)
44	32	Clive Dis'nt 20p	42	+1	†3.2	—	11.3	—
980	650	Com'zbk DM 10	853	.....	—	—	—	—
£22¼	£10¼	C'hgn. Hdl. Kr100	£18	.....	Q15%	—	9.0	—
9	6½	Dawes (G. R.)	7½	.....	—	—	—	—
£94	£68½	Deutsche Bank DM50	£77⅝	−¼	Q22%	—	3.5	—
178	94	English Assoc.	132xc	.....	h2.73	3.8	3.0	12.7
66	39	First Nat. 10p	60	−3½	—	—	—	4.8
5¼	¼	Do. Wrrts. 75-83	1½	−¼	—	—	—	—
225	161	Gerrard Natnl.	208	−10	h10.0	—	6.9	—
59	43	Goode D't Mry.5p	55	−1	1.0	—	2.6	—
208	125	Grindlays	165xd	+5	4.38	3.0	3.8	12.6
*58	39	Guinness Peat	46	.....	8—	—	—	—
140	100	Hambros 5p	118	−3	5.28	—	6.8	—
277	177	Hill Samuel	248	.....	9.1	—	5.2	—
86½	50	Hong Shng.$2.50	54	.....	†Q55c	—	8.1	—

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
23	9¼	Keep Trust 5p	11	...	†0.15	—	‡	—
210	140	Kelsey Inds.	185	...	0.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p	130	...	‡15.0	0.6	‡	(9.6)
00	19	Kleen-E-Ze Hldgs	76	...	3.0	0.5	5.6	—
101	52	L.C.P. Hldgs	91	...	3.6	1.2	5.6	(20.5)
32	14	LDH Group	26		—	—	—	—
132	93	L.R.C. Intl. 10p	105	−2	h2.95	2.3	4.0	13.7
34	17	Lamont Hldgs. 10p	33		†1.3	1.8	5.7	12.0
40	26	Lawtex	37	...	8—	—	—	Φ
480	345	Lep Group 10p	465	−5	17.5	0.3	5.4	64.5
36	22	Lilleshall 10p	34		d1.0	—	4.2	—
350	42	Lon. & Liv. 10p	44	−1	h2.75	3.5	0.9	3.9
135	97	London & Midl'd	111xc	...	7.75	1.1	10.0	12.4
110½	38	Lon. & Nthn. Grp.	74½	...	F4.2	Φ	0.1	10.5
40	23	‡Lon. Pro. Health	24	...	—	—	—	12.0
65	46	Longton Inds.	58	−1	1.0	—	2.5	—
120	70	Low & Bonar 50p	116	...	†5.0	2.8	6.3	(6.4)
48	32½	MCD Group	45	...	u1.0	2.2	3.2	20.5
07	62	‡MMT Computing 5p	80	...	b1.68	2.6	3.0	10.6
26	16	M.Y. Dart. 10p	21	−1	0.1	—	0.7	—
212	134	M'c'rthy Ph 20p	149	...	7.0	2.7	6.7	7.0
140	128	Macfarlane Gp.	143	...	†3.52	2.1	3.5	17.5
46	33	Macfellan 20p	35xd	...	d1.5	1.6	6.1	11.6
63	38	Macpherson (D.)	58	...	4.2	0.6	15.8	(22.0)
56	41	Magnolia Group	54	...	2.3	3.2	6.1	6.5
180	65	Man Ship Can. £1	135	...	3.5	6.8	3.8	4.1
77	48	Marley	74	−1	†2.5	0.5	4.8	(70.8)
45½	38½	Marling Ind. 10p	42½	−½	1.08	1.7	3.6	(19.2)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
39	14½	GRA Group 5p	35½	−½	—	—	—	45.6
58	45	Grampian TVA 10p	57	+1	3.6	2.9	9.4	4.4
172	136	HTV Non-Vtg.	167xd	...	11.0	Φ	9.4	Φ
222	125	Horizon	135	−2	†3.6	5.7	3.8	5.9
162	91	Intasun 10p	141	−1	4.0	4.5	4.1	6.4
60	22	‡Intervision Video 10p	27	...	1.0	2.1	3.9	13.7
370	258	Juliana's Hldgs. 2p	315	...	b4.9	2.4	2.2	22.7
174	139	LWT "A"	170	...	11.08	1.1	9.3	15.7
*147	55	Leisuretime Intl 10p	62	+2	g1.54	Φ	3.6	Φ
132	108	Mognl. Ag. M. 10p	114	...	8.75	1.6	11.0	8.5
60	52	Medminster 10p	55	...	†4.0	0.8	10.4	17.3
170	110	‡Mus. World Grp 10p	163	+3	b3.0	2.5	2.5	23.7
23	17½	‡Nationwide 5p	20½	...	—	—	—	—
128	38	‡Nimslo Int 20c	39	...	—	—	—	—
128	45½	Norton Opax 10p	118	...	t2.17	4.3	2.6	0.5
50	22½	‡Owners Abroad	26¼	−¼	0.5	4.5	2.7	12.8
47	36	Photax (Lon.)	40	...	—	—	—	—
153	90	‡Pineapple Dance St 10p	115	...	ud1.5	2.1	1.9	28.4
340	217½	Pleasurama 5p	310	−2	15.73	4.5	2.6	18.5
173	108	‡Radio City 'A' NV	125	−3	g5.6	1.6	6.5	13.3
209	138	Riley Leisure 10p	172	−6	†3.95	1.7	3.3	23.7
132	84	Saga Hols. 20p	07	...	d3.73	—	6.1	—
515	345	Samuelson Grp £1	395	...	td12.0	2.8	4.5	13.5
108	94	Scott. TV 'A' 10p	103	...	7.35	2.2	10.4	6.2
68	28	‡SelecTV 10p	38	...	—	—	—	—
24	15½	TSW 5p	20	...	0.9	3.3	6.9	6.0
77	30	‡TVS N/Vtg 10p	77	...	—	—	—	42.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPER, PRINTING ADVERTISING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
...	...	...	...	...	...	...	8.7	7.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLANTATIONS

Rubbers, Palm Oil

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Teas

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	‡ACM 30c	17½	.	—	—	—
52	32	Allstate Explo NL	38	.	—	—	—
40	9	‡Australis Mng. NL	23	−2½	—	—	—
25	11	Balmoral Resources	19		—	—	—
60	37	‡Black Hill Mins.	44	.	—	—	—
85	51	‡Bond Corp.	67	−3	Q10c	Φ	9.6
103	116	‡Bougainville 1 Kina	142	...	Q3.21	1.2	1.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

For Grafo see Shipping

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

Authorised Units—continued

Equity & Law Un Tst Mngrs (a) (b) (c)				
Amersham Rd, High Wycombe. 0494 33377				
Buro Tst Acc	01.7	66.3xd	....	1.42
Robert Fleming & Co Ltd				
8 Crosby Square, EC3A 8AN. 01-638 5858				
AmExFd*	£272.77	278.83	....	0.62
JapExFd*	£162.75	167.97	....	1.10
Next subscription day Oct 17 1983				
*Fleming American Property Unit Trust.				
Latest issue price (18/8) US$10,567.				
Units are issued on Feb 18, May, Aug, Nov.				
*Fleming Property Unit Trust.				
Latest issue price (29/9) £2,010.				
Units are issued on March 25, June 24, Sept 29 & Dec 23.				
*Unauthorised.				
Guardian Royal Ex Unit Mngrs Ltd (a)				
Royal Exchange EC3V 3LS. 01-638 2020				
Gilt & Fixed	111.7	116.1	−0.4	9.83
Growth Eq	95.0	103.1	−1.3	2.65
GuardHill	174.4	100.7	−0.0	3.52
Nik Amer	90.9	104.3	....	—
Pacific	104.9	112.8	....	—
Prop Share	93.1	100.2	−0.0	2.31
Smaller Cos	108.3	116.8	−1.3	1.75
H.B.L. Unit Trust Mngrs Ltd (a) (c) (g)				
Premier NT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex. 0277-227300				
SmllrCosTst	50.1	52.7	−0.4	4.69
Nth Amer	49.2	51.9	−0.4	2.24
JapanFarTst	02.0	55.7xd	−0.3	0.03
Scandlava Tst	03 40.6	51.2	−0.3	1.46
Hexagon Services Ltd				
4 Gt St Helens, London EC4P 3EP. 0708 45322				
Austin Frs	100.5	115.1	....	2.34
Brewin Cap	83.2	87.6	−1.0	0.89
Brewin Intl	73.7	77.6	−0.1	4.05
Canada G'th	112.5	121.0	+0.5	0.04
Lawson Fund Managers Ltd (a) (c) (g)				
43 Charlotte Sq, Edinbgh 2. 031-225 6001				
CharitesSqFd	47.9	49.9	....	3.28
Penny Sh Fd	14.0	15.0	....	1.2
Aust & Pac	8.5	9.3	....	0.64
High Yield	19.0	21.1	....	10.4
Do Accum	20.7	22.2	....	10.4
MGM Unit Managers Ltd				
MGM House, Heene Road, Worthing. 01-623 8211				
High Inc	122.0	131.2xd	−0.9	6.77
(Accum Uts)	127.0	137.4xd	−1.0	6.77
UH Growth	118.5	127.4xd	−1.6	3.40
(Accum Uts)	120.0	129.0xd	−1.6	3.40
MLA Unit Trust Management Ltd				
Old Queen Street, SW1A 9JG. 01-222 0576				
MLA Uts	182.8	191.7	....	2.79
MLA Int	29.3	30.7	....	0.81
The Money Market Trust				
63 Qn Victoria St EC4N 4ST. 01-236 0952				
Call Fund	—	—	....	8.84
7 Day Fund	—	—	....	8.06
7Unauthorised—Sterling Deposit Fund.				

[illegible]

Offshore and Overseas—continued

[illegible]

Insurances—continued

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	233.44		.....	—
Managed Inv. Fd.	157.35	165.64	.....	—
Property Fd.	151.07	159.03	.....	—
Fixed Interest Fd.	147.14	154.89	.....	—
Cash Fd.	136.95	143.11	.....	—
Income Fd.	171.47	180.50	.....	—
Extra Income Fd.	162.17	170.71	.....	—
Worldwide Growth Fd.	231.62	243.82	.....	—
Balanced Fd.	172.42	181.50	.....	—
Smlr Co's & Recv. Fd	203.25	213.95	.....	—
Int. Technology Fd	270.97	285.24	.....	—
Nth. Amer. & Gen. Fd.	160.28	170.34	.....	—
Energy Int. Fd.	107.69	113.98	.....	—
Pacific Basin Fund	132.41	139.38	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.4	118.3	.....	—
Property	106.9	112.5	.....	—
Equity	114.6	120.6	.....	—
International	129.0	135.8	.....	—
Fixed Interest	101.7	107.1	.....	—
Deposit	99.1	104.3	.....	—
Managed Pens. Cap.	113.2	119.2	.....	—
Property Pens. Cap.	105.9	111.5	.....	—
Equity Pens. Cap.	109.5	115.3	.....	—
Intnl. Pens. Cap.	135.6	142.7	.....	—
Fixed Int. Pens. Cap.	99.5	104.7	.....	—
Deposit Pens. Cap.	97.1	102.3	.....	—

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Oct 11	178.5	[illegible]	.....	—
British Oct 11	130.2	[illegible]	.....	—
Commodity Oct 11	123.5	[illegible]	.....	—
Extra Inc. Oct 11	115.2	[illegible]	.....	—
Far Eastern Oct 11	95.7	[illegible]	.....	—
High Inc. Oct 11	110.4	116.3	.....	—
Income Oct 11	142.5	150.1	.....	—
Global Strategy Oct 11	161.9	[illegible]	.....	—
Special Sits Oct 11	133.1	[illegible]	.....	—
Gilt Oct 11	106.8	[illegible]	.....	—
Japan Oct 11	159.9	[illegible]	.....	—
UK Small Co's Oct 11	117.8	[illegible]	.....	—
Max Gwth Oct 11	150.7	[illegible]	.....	—
Austria Oct 11	118.7	[illegible]	.....	—
Oil & Energy Oct 11	119.4	[illegible]	.....	—
Gold Share Oct 11	82.4	[illegible]	.....	

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	65.1	69.0	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Oct. 1	61.0	65.8	.....	—
MM Flexible Oct 6	52.3	55.2	.....	—
Fixed Interest Oct 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	23.8	24.8	−0.8	—
Chinese Fund	65.1	67.8	.....	—
Precious Metal Fund.	121.1	126.1	+0.8	—
Vanguard Cmdy. Fd.	37.1	38.1	−0.2	—
Financial Futures Fd.	82.2	85.6		—
Wren Intl. Fnd.*	$0 493	0.513	..	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. § Guernsey gross. # Suspended. ● Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Asarco lowers cost of cathodes

By John Edwards

U.S. COPPER producer Asarco last night cut its domestic selling price by 1.50 cents to 70 cents a pound for cathodes on a delivered basis.

This reverses the rise in U.S. producer prices earlier this week and reflects the continued lack of consumer buying interest.

Copper prices on the London Metal Exchange yesterday started on an easier note with three months high grade slipping to £985 before rallying to close at £992 a tonne, £6.5 up on the previous close.

Reuter reported from Santiago that activity at the State-owned copper mines had not been affected by the three days of anti-government protests this week.

Aluminium prices were also firmer yesterday. The cash price on the London Metal Exchange closed £6 up £1,060.5 a tonne. Arco Metals in the U.S. said that workers on strike at three aluminium plants in Louisville, Kentucky, had rejected a revised offer. The strike started on August 1 but the plants have been operated by management personnel since then.

Commodities Research Unit in a special report on secondary (scrap) aluminium forecast a period of strong growth in demand over the next 10 years.

● Montreal — Falconbridge chairman Mr William James told analysts he expects nickel prices to continue rising modestly as demand for nickel from the U.S. stainless steel industry and Japan has improved.

Mr James said he expects world nickel consumption to rise to 1.1bn lb this year

Surprise increase in cocoa bean grindings

BY RICHARD MOONEY

THE ANNOUNCEMENT of a surprise increase in West German cocoa bean grindings in the third quarter of this year brought little reaction on the London futures market yesterday.

The figure, which had been expected to be little changed from the same quarter last year, was 20.3 per cent up at 43,010 tonnes.

A rise of this magnitude might have been expected to boost prices substantially but the March position in London ended only £12.50 higher at £1,458 a tonne. Dealers saw this sluggish performance as further evidence of the market's reluctance to move out of its recent narrow trading range until it gets some much clearer pointers to West African crop prospects.

Following the drought and bush fires which hit West Africa earlier this season the output picture has remained very confused. Estimates for production in the Ivory Coast, the world's biggest cocoa producer, have ranged from under 300,000 tonnes to over 400,000 and recent plethora of conflicting analysts' reports has only added to traders' bemusement.

"The market is a little bit tired of contradicting reports," said one London dealer yesterday. "We are all waiting for a crop figure we can believe in."

This may be provided by the U.S. Department of Agriculture, which was due to publish its latest world crop assessment after the close of the New York market last night.

But many dealers would rather wait for London merchant Gill and Duffus to publish its report, which has been delayed till the end of this month because of the uncertain situation.

Some traders thought the market might have been held back from responding whole heartedly to the West German news by the simultaneous publication of the UK grinding results, which showed a fall of 11.71 per cent from the 1982 third quarter.

But others pointed out that this result was in line with expectations and should not have detracted from the impact of the West German figure.

Australia-Soviet grain talks

BY COLIN CHAPMAN IN CANBERRA

AUSTRALIA has given the Soviet Union a firm guarantee of regular deliveries of grain and stable supplies in return for Russian agreement to immediate talks on the new grain deal between the two countries, trade officials said yesterday.

Talks in Moscow between Australia's senior civil servant at the Department of Trade, Mr Jim Scully, and Soviet officials appear to have paved the way for Canberra to sign a new long-term agreement on similar lines to the one concluded with the U.S.

Negotiations between the Australian Wheat Board and the Soviet import-export agency are to start soon.

The talks have gained new urgency as a result of reports in Izvestia indicating that the Soviet harvest has run into serious trouble, with 3m hectares of wheat and barley apparently affected by bad weather.

Australia, by contrast, has upgraded its estimated wheat crop to a record 19m tonnes, from the previous estimate of 17.7m tonnes.

More aid pledged to poorer farmers

By Our Commodities Staff

THE NATIONAL Farmers' Union yesterday welcomed a promise of more aid for Britain's poorer farmers.

Mr Michael Jopling, the Agriculture Minister, told the Tory conference in Blackpool that the GoGvernment had applied for aid to small upland farmers under the EEC's less favoured areas scheme. The application is due to be considered by the Council of Ministers next week.

Mr John Tamplin, chairman of the NFU's marginal land committee, said the move was a major step forward as a result of many years of hard campaigning on behalf of the union.

● AGENTINA is expected to produce a record oilseed crop of 8.2m tonnes in 1984/85.

● HENAN PROVINCE, one of China's largest cotton producers, expects a record 1983 harvest of 500,000 tonnes.

● DROUGHT and worldwide recession made 1982/83 one of the most difficult years ever for the wool industry, says the Australian Wool Corporation annual report.

● INDIA MAY replace Brazil as the world's largest castor oil exporter in 1983/84, with an exportable surplus of more than 100,000 tonnes.

● TEA PRICES in Bangladesh fell slightly at auction yesterday after several months of moving slightly higher.

● THE newly-formed European Spice Association aims to combat problems facing herb and spice packers arising from EEC legislation.

● FARMERS in the Oxfordshire village of Culham are operating night patrols in an effort to stamp out a wave of stock-rustling, thefts and vandalism that has turned the village into "something like Dodge City."

Subsidies protagonists regroup forces

THE STRIDENT quarrel between the EEC and the U.S. over who was subsidising agriculture more handsomely subsided during the summer but is far from dead. Each side has apparently been regrouping forces for a fresh attack so I was not too surprised to be invited to breakfast this week by Mr John Block, the U.S. Agricultural Secretary.

As a farmer, I found it easy to relate to Mr Block, with his 3,000-acre family farm in Illinois. He came up through the U.S. equivalent of the NFU, then look to national Republican politics and became the equivalent of Minister of Agriculture. What, I asked, was worrying him?

It seems that his enemies in Europe were putting it about that the payment in kind (Pik) scheme was extravagant, almost irresponsible, waste of money and that the $19bn it was said to cost was adding to the U.S. deficit and creating high interest rates, strong dollars, and financial difficulties throughout the world.

But Secretary, I asked, is not this true? No, said Mr Block. The U.S. Treasury disgorged no dollars on the Pik programme. The grain was in Government stores, taken in under the loan programme by which farmers' prices are supported. The cost of accumulating the surplus had been debited to previous years. When a farmer was paid to take an acre of land out of crop no money passed hands. He just received so many bushels of maize or wheat. It cost the Treasury nothing. The money had all been spent before.

Thus 70m acres of U.S. land

Farmer's viewpoint: By John Cherrington

had been taken out of production, and while there would still be a small stockpile of wheat the great bulk of the grain mountain had gone. There would be no need of Pik next year when farm spending would reduce to $7bn, roughly what milk was costing the EEC.

He admitted that the drought combined with Pik had caused world grain prices to surge but suggested that this had been of inestimable value in saving the EEC money on export restitutions. He appreciated too the fact that EEC grain exports were being restricted.

And what about the U.S. butter mountain? This was bothersome but only a third of that in the Community. The explosion in feed grain costs and a reduction in the milk guarantee was making dairy farmers retrench. He added that the guarantee rates on U.S. wheat and maize were to be reduced for next year.

When I met Mr Block in March he had been threatening aggressive export marketing of farm products and a continuation of the subsidised flour sale to Egypt to which the EEC took great exception.

Now that he had agreement for grain sales to Moscow and world trade was genuinely above support levels he was more relaxed. But he reacted quite sharply to suggestions that the EEC reform package would attempt to penalise imports of U.S. maize gluten and edible oils. This would bring immediate retaliation.

What about U.S. farmers? Were they happy with what had happened? It had made a great difference to attitudes, he said. The fall in land prices, which had been quite marked, had been checked. Farmers' indebtedness was being reduc certainly in the cropping are Only dairy and pig farm were complaining.

Mr Block did not claim t all these benefits had been fo cast when he devised the poli But he said there was no oth way in which the enorm grain stockpile could have be removed.

What about next year, asked? Wouldn't the 70m ac now resting be brought b into a surge of producti undoing all the good of and the drought? I sho remember, he told me, i rebuilding the stockpile wo take far more than a sin harvest.

In any case, 1984 would an election year and no measures would be taken curb production. Afterwards, course, it could be a differ ball game.

I think this name-calli about subsidies is pointle What does it matter to Euro how Mr Block justifies rather eccentric bookkeepin The EEC should be thankf and so should Europ farmers that American spen ing—and the drought—h raised world prices with con quent reduction in E expenditure.

Soyabean prices up sharply

BY JOHN EDWARDS

SOYABEAN futures prices were sharply higher in early trading on the Chicago Board of Trade yesterday, following the latest crop estimates by the U.S. Department of Agriculture.

It reduced the soyabean crop prediction to 41.29m tonnes. This compares with the department's September estimate of 41.78m and a revised figure for last year's crop—now put at 60.68m against 61.97m estimated previously.

Some traders had thought the latest crop estimate, based on October 1 conditions, would be up rather than down in view of improved weather conditions recently.

Soyameal and soyaoil prices also advanced strongly in Chicago. On the London soyabeanmeal futures market the December position rose by nearly £5 to £189.35 a tonne.

Maize (corn) and wheat prices were also higher in Chicago, reacting to the reduced estimate for the maize crop. Coarse grain production in the U.S. this season is now put at 139.5m tonnes, against the September estimate of 142.8m and the 1982-83 crop of 255.5m tonnes.

Sugar stocks drop likely

BY RICHARD MOONEY

A VERY modest reduction in world sugar stocks in the 1983-84 season is indicated by West German sugar statistics organisation F. O. Licht in its first estimates for that season, published yesterday.

Licht puts world production in 1983-84 at 94.483m tonnes and consumption at 95-95m tonnes. This suggests a much smaller draw down from stocks than had been signalled earlier by other forecasters who had put world output as low as 92m tonnes.

But it was already apparent that improved conditions in many growing areas had re dered these earlier forecas out of date and the Licht asse ment will not have come much of a surprise to t market. The London daily r sugar price was fixed £3 low at £157 a tonne in the morni and the March futures positi ended £1.5 down at £182.25.

One dealer said the repo was being interpreted "mildly bearish," but this w mainly because of an adju ment in the 1982/83 producti figure from under 100m tonn to 100.647m.

PRICE CHANGES

In tonnes unless stated otherwise	Oct. 13 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£1050
Free Mkt	$1600/1630	....	$1630/650
Copper			
Cash h grade	£968.5	+6	£1036.5
3 mths	£999.25	+6.5	£1064.75
Cash Cathode	£943	+8	£1006.5
3 months	£967.5	+7.25	£1034.5
Gold troy oz	$390.25	+3.37	$408.625
Lead Cash	£275	....	£263.5
3 months	£283.875	—0.32	£273.25
Nickel	£4646.34	....	£4646.54
Free mkt	912/239c	....	220/250c
Palladium	$151.50	+5.75	$148.50
Platinum	£268.10	+1.35	£285.25
Quicksilver†	$320/330	....	$290/300
Silver troy oz	681.40p	+0.35	778.95p
3 mths	696.70p	+0.40	796.95p
Tin cash	£8525	+8.5	£8412.5
3 month	£8609	+3.5	£8553.5
Tungsten	977.38	....	974.81
Wolfram 22.04 lb	$79/83	....	$76/82
Zinc Cash	£560.5	+0.5	£539.5
3 mths	£575.25	....	£555.5
Producers	$880	....	$880

	Oct. 13 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$870x	+15	$975
Groundnut	‡	....	‡
Linseed Crude	‡	....	£530
Palm Malayan	$676y	....	$645
Seeds			
Copra Phil	$570x	....	‡
Soyabean (U.S.)	$337.25w	....	$364.75
Grains			
Barley Fut. Jan	£119.59	+0.35	£118.60
Maize	£144.00	....	£148.00
Wheat Fut. Jan	£129.40	+0.55	£122.85
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1518	+17	£1536
Fut. March	£1458	+12.5	£1480.6
Coffee Ft. Jan	£1886.6	—6.5	£1724
Cotton A. Index	87.25c	—0.3	91.80c
Gas Oil, Nov	$251.75	+1	$256.25
Rubber (kilo)	78.00p	+0.75	75p
Sugar (Raw)	£157x	—3	£151
Wooltp's 64s	400p kilo	....	400p kilo

‡ Unquoted. w Nov. u Dec. u Oct-Nov. † Per 16 lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	99.65-99.75	+0.25
Iranian Light	28.05-99.20	+0.02
Arabian Heavy	26.55-95.65	+0.15
North Sea (Forties)	29.70-29.95	+0.25
North Sea (Brent)	30.00-30.10	+0.32
African (Bonny L'ht)	29.80-30.15	+0.03
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	287-991	+9.5
Gas oil	245-250	+0.5
Heavy fuel oil	168-171	+0.5

GAS OIL FUTURES

After opening about $2.00 lower, the market moved up to unchanged on light buying in thin conditions, staying at these levels on nervousness about the Middle East. Prices dropped back during the afternoon only to meet more nervous short-covering towards the close, reports Premier Men.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct	247.95	+0.75	247.50-45.75
Nov	951.75	+1.00	252.00-49.25
Dec	954.25	+0.50	252.00-52.25
Jan	954.75	+1.25	255.00-52.75
Feb	252.00	+1.00	252.00-49.50
Mar	247.00	....	247.00-46.50
April	245.00	—0.75	246.00-44.00
May	943.25	—1.25	—
June	243.25	—0.25	—

Turnover: 1,774 (2,693) lots of 100 tonnes.

GOLD MARKETS

Gold rose $3¾ to $398-398½ on the London bullion market yesterday. The metal opened at $397-397½, and was fixed at $397½ in the morning and $398.65 in the afternoon. It touched a peak of $399-399½, and a low of $396¾-397¼.

In Paris the 12½ kilo gold bar was fixed at FFr 102,300 per kilo ($399.58 per ounce) in the afternoon, compared with FFr 102,200 ($398.96) in the morning, and FFr 102,000 ($397.11) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,380 per kilo ($398.50 per ounce), against DM 33,260 ($395.99) previously, and closed at $398¼-399¼, compared with $394½-395.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $397.50 per ounce, against $396.20.

In Zurich gold finished at $397¾-398½, compared with $394-397.

	Oct. 13		Oct. 12	
Gold Bullion (fine ounce)				
Close	$398-398½	(£265½-266)	$394⅛-395¼	(£262⅝-263⅛)
Opening	$397-397½	(£264.5-264.7)	$396¼-397	(£263⅛-264)
Morning fixing	$397.50	(£265.979)	$395.75	(£263.981)
Afternoon fixing	$398.65	(£266.643)	$394.75	(£262.915)

Gold Coins Oct. 13					
Krugrnd	$409-410½	(£273¾-274)	King Sov	$94½-96	(£63¼-64¼)
½ Krg	$211½-212	(£141¼-141½)	Victoria Sov	$94½-96	(£63¼-64¼)
¼ Krg	$108-108½	(£72-72½)	French 20s	$81½-83¼	(£54⅛-55⅛)
1/10 Krug	$44-44½	(£29½-30)	50 pesos Mex	$484-486	(£323-324¼)
Mapleleaf	$409¾-410¼	(£273½-273¾)	100 Cor. Aust	$388-398	(£259-261½)
New Sov	$93½-94¼	(£62½-62¾)	$20 Eagles	$595-600	(£397-400½)
½ New Sov	$55¼-57	(£37⅛-38)			

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct	397.50-98.0	+4.25	—
Dec	403.80-04.0	+4.10	404.00-01.8
Feb	409.50-10.5	+5.00	408.50
April	419.00-22.0	+8.00	—
June	429.00-30.0	+8.00	—
Aug	433.00-37.5	+9.25	—

Turnover: 687 (497) lots of 100 troy ounces.

EUROPEAN MARKETS

Rotterdam, October 13.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter Oct 156.50, Nov 158.50, Dec 160, Jan 162. U.S. Northern Spring, 14 per cent protein, Oct 184.75, Nov 188, Dec 188.00, Jan 192. U.S. No. 3 Amber Durum Nov 200, Nov/Dec 202, Dec 202, April/May 211. Canadian Western Spring Oct 20/Nov 206, Nov 15/Dec 15 211.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow afloat 164, Oct 163, Nov 161.75, Dec 181.75, Jan/March 162.50, April/June 184 sellers. Argentine Oct 172, mid-Oct/mid-Nov 172 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Oct 331.25, Nov 331.25, Dec 335.70, Jan 340.50, Feb 344.50, March 346.75, April 347.00, May 347.50, Nov 272.50, Dec 281.25, Jan 289.50 sellers. Argentine Oct 329.00 sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent, afloat 268, Oct 269, Nov 276, Nov/March 281 sellers. Pellets Brazil afloat 282, Oct 290, Nov 294, Dec 297, April/Sept 284 sellers. Pellets Argentine afloat 287, Oct 273, Nov 281, Dec 283 sellers.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL prices were generally firmer on the London Metal Exchange. Copper opened higher around £994, three months, but encountered persistent selling from one quarter which depressed the price to around £986. However, the market staged a rally, boosted by a firmer gold price and short-covering which lifted the quotation to £992.5 at the close of the late Kerb. Currency considerations depressed aluminium to £1,080.5 at one point before a recovery to £1,088, after £1,091, while nickel was finally £3,225, after £3,176. Tin held around £8,605 for standard metal, and £8,650 for high-grade material.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	961.5-2	—.75	968-9	+6
3 months	985.5-6	+.25	992-.5	+6.5
Settlem't	962	—1	—	—
Cathodes				
Cash	936-.7	+.25	942-4	+8
3 months	961-2	+1.25	967-8	+7.25
Settlem't	937	+.5	—	
U.S. Prod.	—	—	*71.5-5	.....

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £963, 62; three months £988, 86.5. Cathodes: Three months £961. Kerb: Higher Grade: Three months £988, 89, 90. Afternoon: Higher Grade: Three months £993.5, 94, 94.5, 95, 93, 92.5, 92. Kerb: Higher Grade: Three months £991, 92, 93, 94, 94.5, 95, 95.5, 95, 94, 93.5, 93, 92.5. Turnover: 28,075 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8640-50	—22.5	8650-5	+9.5
3 months	8650-60	—5	8650-5	.....
Settlem't	8650	—28	—	.....
Standard				
Cash	8510-5	.....	8590-30	+8.5
3 months	8605-5	—9	8605-15	+5.5
Settlem't	8519	.....	—	.....
Straits E.	†$30.06	—0.08	—	.....
New York				

Tin—Morning: Standard: Cash £8,520, 10; three months £8,605, 06, 07, 06. High Grade: Cash £8,655; three months £8,650. Kerb: Standard: Three months £8,910, 15, 10. High Grade: Three months £8,655, 60. Afternoon: Standard: Three months £8,612, 10, 12. High Grade: Three months £8,650; Kerb: Standard: Three months £8,910. Turnover: 2,365 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	274-5	—4.25	974.5-5.5	.....
3 months	283.5-4	—4.62	285.75-4	—.375
Settlem't	275	—4	—	.....
U.S. Spot	—	.....	*25-8	.....

Lead—Morning: Three months £285, 84, 83.5, 83, 83.5, 84, 83.5, 83.75. Kerb: Three months £284. Afternoon: Three months £284, 83.5, 84. Kerb: Three months £284, 84.5, 85, 86. Turnover: 22,300 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	558.5-9.5	—4.5	560-1	+.5
3 months	575.5-6	—4	575-.5	.....
Settlem't	559.5	—4.5	—	.....
Primw'ts	—	.....	*46-.75	.....

Zinc—Morning: Three months £574. Kerb: Three months £575. Afternoon: Three months £575. Kerb: Three months £575, 76. Turnover: 7,600 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1059.5-.8	-1.75	1060-1	+5
3 months	1081-.5	—.5	1087.5	—9.5

Aluminium—Morning: Three months £1,085, 84, 83.5, 92, 91.5, 91, 80.5, 81, 81.6, 82, 81.5, 81. Kerb: Three months £1,084, 85, 88. Afternoon: Three months £1,088, 88.5, 88, 88, 88.5, 88. Kerb: Three months £1,088, 89, 90, 91, 90, 88, 88, 87, 88. Turnover: 18,125 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3098-102	—15	3110-20	—2.5
3 months	5175-7	—11.5	5190-5	+1.5

Nickel—Morning: Cash £3,102, 3,100; three months £3,180, 81, 80, 85, 80, 78, 78. Afternoon: Three months £3,181, 85. Kerb: Three months £3,195, 3,200, 05, 10, 15, 20. Turnover: 1,046 tonnes.

SILVER

Silver was fixed 0.35p an ounce higher for spot delivery in the London bullion market yesterday at 681.4p. U.S. equivalents of the fixing levels were: spot $10.253, up 5.1c; three-month $10.495, up 5.2c; six-month $10.735, up 4.9c; and 12-month $11.258, up 4.9c. The metal opened at 683½-685½p ($10.27-$10.30) and closed at 687-689½p ($10.30-$10.33).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	681.40p	+0.35	687p	+9
3 months	696.70p	+0.40	703p	+8.25
6 months	712.15p	+0.50	—	.....
12 months	745.00p	+0.50	—	.....

LME—Turnover 133 (84) lots 10,000 ozs. Morning: Three months 698.0, 98.5, 99.0, 702.0, 02.5, 02.0. Kerb: untraded. Afternoon: three months 703.0. Kerb: three months 703.0.

COCOA

Although closing prices were £10-£15 above the previous evening futures established the levels only after drifting rather aimlessly for much of the day. Physical cocoas failed to respond to the limited stimulus of the gain and only light second-hand trading was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1456-57	+17.0	1461-48
March	1457-59	+12.5	1464-47
May	1469-70	+9.5	1476-61
July	1485-87	+10.5	1491-79
Sept	1495-00	+11.0	1501-90
Dec	1510-17	+15.0	—
March	1511-30	+5.0	—

Sales: 2,580 (4,934) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound). Daily price for Oct 13: 96.19 (95.56); five-day average for Oct 14: 96.72 (96.88).

COFFEE

During a steady morning gains of £13-£21 were posted in light volume, reports Drexel Burnham Lambert. Prices retreated in late dealings as trade selling prompted a decline to around unchanged levels.

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1903-04	—4.0	1930-01
January	1856-57	—5.9	1910-85
March	1781-82	—	1800-81
May	1725-28	—5.0	1746-29
July	1687-90	+1.0	1700-90
Sept	1655-65	—5.0	1682-70
Nov	1650-45	+0.5	—

Sales: 3,066 (3,227) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for Oct 12: Comp. daily 1979 136.15 (136.04); 15-day average 131.68 (131.12).

GRAINS

Business done—Wheat: Nov 119.35-118.50, Jan 122.85-122.00, March 125.65-124.90, May 128.50-127.75, July 131.30-130.85, Sept untraded. Sales: 153 lots of 100 tonnes. Barley: Nov 110.90-115.50, Jan 119.75-119.45, March 122.40-122.20, May 124.40-124.20, Sept 113.50 only. Sales: 111 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth	Yestrday's close	+ or —	Yest'day's close	+ or —
Nov	119.05	+0.70	115.50	+0.55
Jan	122.40	+0.55	119.55	+0.65
Mar	125.20	+0.55	122.30	+0.50
May	128.20	+0.70	124.30	+0.55
July	131.20	+0.75	—	....
Sept	117.16	—0.10	113.40	—1.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1, 14 per cent, Oct 133.25, Nov 134.25, Dec 135 transhipment East Coast. English Feed fob Nov 123, Dec 124.50 East Coast. Maize: French first-half Oct 144, second-half Oct 144.90, Nov 145. Barley: English Feed fob Oct 120, Nov 121.50 East Coast. Rest unquoted.

POTATOES

The initial easing of values was short lived, with steady buying in a thin market moving prices gradually higher, reports Coley and Harper.

Month	Yest'day's close	Previous close	Business Done
	£ per tonne		
Nov	154.50	153.50	154.00-152.0
Feb	190.00	190.30	190.00-189.0
April	232.90	229.90	233.00-227.0
May	236.60	234.50	236.50-231.0
Nov	81.50	81.00	—

Sales: 484 (653) lots of 40 tonnes.

RUBBER

No. 1 R.S.S.	Yest'day's close	Previous close	Business Done
	£ per tonne		
Nov	770-794	755-780	—
Dec	780-790	765-780	—
Jan-Mch	795-796	779-781	797-781
Apl-Jne	813-814	800-801	814-801
Jly-Sept	828-829	814-816	828-820
Oct-Dec	842-850	826-833	—
Jan-Mch	857-860	844-848	—
Apl-Jne	873-878	860-865	—
Jly-Sept	888-910	875-884	—

Sales: 194 (161) lots of 15 tonnes, nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were Spot 78.00p (77.25p); Nov 78.50p (78.00p); Dec 79.00p (78.50p).

SOYABEAN MEAL

The market opened £2.00 higher on a constructive USDA crop figure (1.517bn bushels), reports T. G. Roddick. Prices rallied on commission house and commercial buying.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
October	—		
Dec	188.00-89.70	+5.70	189.50-87.00
Feb	194.50-98.00	+3.60	196.80-93.50
April	194.50-96.00	+3.50	—
June	195.50-95.00	+5.75	—
August	194.00-97.00	+5.25	—
October	184.00-90.00	+4.50	—

Sales: 175 (253) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £157.00 (£180.00) a tonne for Oct-Nov shipment. White sugar £175.00 (£180.00).

No. 4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Dec	176.25-76.50	178.80-78.25	177.50-72.55
Mar	182.25	184.25	185.50-79.50
May	187.15	189.50-90.00	151.25-85.50

Sales: 5,404 (3,859) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £266.50 (£269.50) a tonne for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean ports). Prices for Oct 12: Daily price 9.94 (10.20); 15-day average 9.69 (9.61).

COTTON

LIVERPOOL—No spot or shipment sales were registered. Ordering was restricted and the offtake was confined to minimum quantities; slow trading occurred in certain specialist growths.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 560.0, 562.0, 562.0-557.0; Dec 565.5, 566.0, 567.0-563.0; March 583.0, 584.0, 584.0-583.0; May 595.0, 598.0, 598.0-596.0; July 611.0, 613.0, 611.0; Oct 606.0, 607.0, 606.0-604.0; Dec 615.5, 617.0, untraded; March 625.0, 628.0, 625.0. Sales: 119.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 419, 427, 420; Jan 419, 421, nil; March 418, 423, 425-420; May 430, 435, 433-431; Aug 443, 446, 449-447; Oct 448, 451, 450-448; Dec 451, 454, 457-456; Jan 450, 460, 460; March 468, 474, nil. Sales: 37.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets GB—Cattle 96.60p per kg lw (+0.79). GB—Sheep 135.57p per kg est dcw (+9.74). GB—Pigs 76.49p per kg lw (−1.12).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 80.0-85.0; Eire hindquarters 92.0-96.0, forequarters 58.0-62.0. Lamb—English small 80.0-86.0, medium 62.0-64.0, heavy 58.0-62.0; Imported: New Zealand PL 59.8-60.3, PX 57.0-57.5. Pork—English under 100 lb 51.0-55.5, 100-120 lb 49.5-84.€, 120-160 lb 42.0-54.0.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£7.80, codlings £4.00-£5.00, large haddock £5.00-£5.40, medium £4.00-£4.80, small £2.40-£3.70; large plaice £6.00-£7.00, medium £6.00-£6.40, best small £4.70-£5.20; skinned dogfish (medium) £7.50; lemon sole (large) £12.00, (small) £9.00; saithe £2.30-£2.70.

English produce: Apples—Per pound Bramley new season 0.10-0.14, Howgate 0.08, Worcester Pearmain 0.10-0.22, Cox's 0.14-0.26, Russet 0.18-0.20, Charles Ross 0.12-0.14. Pears — Per pound Comice 0.14-0.20, Conference 0.12-0.18. Strawberries—8 oz 0.35-0.50 according to condition. Raspberries—4 oz punnets 0.40-0.70 according to quality. New potatoes—4.00-5.00. Mushrooms — Per pound open 0.60-0.70, closed 0.80-1.00. Lettuce — Per tray round 0.80-1.30, Webb's 2.00-2.30, Cos 1.80-2.00, Iceberg per doz 9.00. Onions—Per 55 lb 3.80-4.00. Cabbages—Per 25 lb Primo 2.60-3.00. Greens—28 lb Kent 2.00-2.50. Cauliflowers — 12's Lincoln 2.60-3.00, Kent 3.00-3.50. Cucumbers—2.80-3.20. Tomatoes—Hothouse 12 lb 1.20-1.30. Celery—3.00-3.50. Beetroots—28 lb 2.00-2.20. Turnips—28 lb 2.00-3.00. Swedes—28 lb 1.20-1.50. Capsicums — Green per pound 0.22-0.25. Corn cobs—Each 0.10-0.12. Leeks—Per pound 0.22-0.25. Carrots—28 lb 1.20-1.80. Parsnips—28 lb 2.40-2.60. Courgettes—Per pound 0.15-0.20. Stick beans — Per pound 0.19-0.22. Sprouts—Per pound 0.15-0.20. Fennel—Per pound 0.25-0.30. Calabrese — Per pound 0.50.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Clementines—Spain: 9.00-6.80. Oranges—Outspan: Valencia lates 56 7.70, 72 7.70, 88 7.60, 112 9.60, 138 9.30, 150 5.30; Brazilian: Valencia lates 6.50-7.00; Uruguayan: 6.80-7.20. Lemons—Outspan: Carton 9.00-12.00, small sizes 6.00-8.00; Italian: Carton 7.00-8.00; Turkish: 7.00-7.20; Cyprus: 10-kg boxes 6.00-7.00. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: Box 6.00-6.50; Dominican: 5.80-6.80; Cuban: 4.70, Ruby 8.00; Jaffa: 32 5.80, 36 6.00, 40 9.70, 48 5.95, 56 5.65, 64 5.40. Apples—French: Golden Delicious: Carton 6.50-6.60, Granny Smith: Carton 9.00-9.20, half-carton 4.50-4.80, Starkrimson, carton 9.50-7.00; Italian: Red Delicious 9.9 kg 2.20. Pears—Italian: Williams 0.20-0.22. Grapes—Italian: Per pound, Italia 0.30-0.34; Spanish: Italia 0.20-0.35, Almeria 0.20-0.25, Napoleon 0.25-0.26. Water-melons—Spanish: 15-kg 2.00-2.40. Melons—Spanish: Yellow 10-kg 3.20-3.60, green 3.20-3.80; Spanish: Galia small tray 5.50-6.00. Bananas—Colombian: 40-lb boxes 10.30-10.50. Avocados—Canary: 5.50-9.00; Israeli: 5.80-6.00. Pineapples—Each, Kenyan: 1.30-1.80, Ivory Coast: 0.40-1.40; Cuba: 0.50-1.00. Paw Paws—Brazilian: 6.00-7.00. Mangoes—Israeli: 7.50-8.00; Brazilian: 8.00-10.00. Fennel—Italian: 9-kg 5.00-8.50. Figs—Smyrna: 48's x 8 oz 9.70-9.60. Kiwifruit—New Zealand: 6.00-6.20. Tomatoes—Spanish: Tray 1.60-2.00; Dutch: Tray 1.60-2.00, beefsteak 3.40-3.50. Aubergines—Dutch: 5-kg 5.50-8.00. Onions—Spanish Grano 25-kg sets 3.80-4.00, Zaragoza 3.70-4.40; Dutch: 50/70 mm 4.00. Capsicums—Dutch: Yellow 8.00-8.70, green 3.50, red 5.00. Cabbages—Dutch. Red 8.00, white 5.20-5.80. Potatoes—Cyprus: 44-lb bag 3.60-4.00. Sugar peas—Kenyan: Per pound, 1.40-1.60. Globe Artichokes—French: 24's 8.20-8.50, Lettuce—United States: Iceberg 30's 15.00-16.00. Cucumbers—Tray, Dutch, 2.70-3.00; Spanish: 2.20-2.40; Canary 2.70-3.50. Courgettes—French: Per pound 0.14-0.15. Chestnuts—Italian: 22 lb 7.50-7.80. Dates—Packets 30 0.55-0.62. Brazils—Large washed. Mangos per pound 0.45. Walnuts—Chinese: Per pound 0.28-0.30. Filberts—Sicilian: Per pound 0.29-0.30. Almonds—Ibiza: Semi-soft per pound, 0.37-0.38. Pecans—U.S.: Per pound 0.85-0.90. Cranberries—U.S.: Pack s 15 6-oz 7.20.

INDICES

FINANCIAL TIMES

Oct. 12	Oct. 11	M'th ago	Y'ar ago
286.27	287.13	286.78	233.19

(Base: July 1 1952=100)

REUTERS

Oct. 13	Oct. 12	M'th ago	Y'ar ago
1879.1	1883.6	1884.0	1523.7

(Base: September 18 1931=100)

MOODY'S

Oct. 12	Oct. 11	M'th ago	Year ago
1043.1	1045.1	1061.4	978.6

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Oct. 12	Oct. 11	Month ago	Year ago
Spot	139.53	139.98	145.54	127.78
Fut's	145.29	146.06	151.08	137.08

(December 31 1931=100)

AMERICAN MARKETS

NEW YORK, October 13.

Heating oil prices rallied moderately on Middle East tension which sparked off heavy trade buying; the strength in the market overcame negative reports on distillate stocks. Sugar closed moderately higher after erratic trading; early trading was at much lower levels on a bearishly construed private crop estimate. Coffee prices declined sharply as Brazil increased its coffee release quota for December; trade was selling into the market on the assumption that the spot tightness in supplies would be alleviated. Cocoa prices recovered on reports that Nigeria asked for shipping delays against new crop sales and an evening-up of positions ahead of the USDA world crop estimate. Cotton prices rallied late in the d in sympathy with the grains ev though the crop estimate showed o a modest decline. The entire soyabe complex finished limit-up following constructive government estimate; m kets opened strong and sold off subsequent local pressure, howev when all attempts to break the mar failed massive short-covering took prices up the daily permissible lim Maize and wheat, while not as bull as soyabeans, closed very stron Copper prices were under heavy pre sure from long liquidation as trade based their action on the belief th the Federal Reserve will keep lun economic growth moderate rather th ebullient, reports Heinold Commoditi

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2005	2044	1995	2000
March	2034	2065	2025	2025
May	2050	2079	2046	2038
July	2096	2105	2075	2064
Sept	2125	—	—	2089
Dec	2125	—	—	2092

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	142.94	44.35	41.90	143.77
March	136.80	38.50	36.50	138.14
May	133.60	34.50	32.70	134.25
July	130.50	31.40	28.85	131.25
Sept	127.38	28.30	27.50	128.63
Dec	125.25	26.90	25.50	126.25
March	123.46	—	—	123.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Oct	64.85	65.40	64.90	65.65
Nov	65.20	—	—	66.05
Dec	65.80	66.75	65.70	66.65
Jan	66.50	67.25	66.50	67.35
March	67.85	68.80	67.80	68.75
May	69.20	70.10	69.10	70.15
July	70.60	71.60	70.80	71.60
Sept	72.00	73.05	72.60	73.05
Dec	74.15	75.45	74.35	75.25
Jan	74.90	—	—	76.00

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	76.73	77.27	76.70	76.47
March	78.11	78.65	78.05	77.88
May	79.00	79.25	79.00	78.88
July	79.50	79.90	79.35	79.30
Oct	74.75	75.19	75.10	74.50
Dec	74.05	74.48	74.00	73.95
March	75.00	—	—	74.70

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	399.2	398.5	396.7	397.1
Nov	400.4	—	—	398.5
Dec	403.7	404.0	401.2	401.3
Feb	410.2	410.7	407.5	408.3
April	415.9	416.3	415.0	414.9
June	424.0	423.5	422.0	421.9
August	431.2	430.7	429.3	429.0
Oct	438.5	—	—	436.1
Dec	446.0	446.5	445.0	443.9
Feb	453.9	—	—	451.0
April	461.3	—	—	459.3
June	470.0	—	—	467.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Nov	82.19	82.30	81.95	81.57
Dec	83.39	83.55	82.50	82.69
Jan	83.56	83.60	83.05	82.77
Feb	82.42	82.65	82.20	81.85
March	80.20	80.30	79.95	79.69
April	79.10	—	—	78.50
May	78.00	78.00	78.00	77.90
June	77.30	—	—	76.80

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	124.70	24.70	24.70	119.70
Jan	119.50	19.50	19.50	114.50
March	116.25	16.25	16.25	111.25
May	116.00	16.00	16.00	111.00
July	115.80	15.80	15.80	110.80
Sept	110.80	—	—	110.80
Nov	114.00	14.00	14.00	109.00
Jan	114.00	—	—	109.25
March	114.00	—	—	109.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	400.3	399.0	397.0	396.1
Dec	405.5	—	—	401.6
Jan	407.2	408.0	405.0	403.4
April	414.4	415.0	412.3	410.2
July	422.1	423.0	422.0	417.9
Oct	429.8	—	—	425.0
Jan	436.0	—	—	435.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	1036.7	34.0	25.0	1021.5
Dec	1049.0	50.0	32.0	1034.0
Jan	1057.3	—	—	1042.5
March	1075.2	77.0	59.0	1060.2
May	1093.6	90.5	81.5	1078.5
July	1112.0	113.0	105.0	1097.0
Sept	1130.5	129.0	122.0	1115.5
Dec	1159.0	187.0	162.0	1144.0
Jan	1168.5	—	—	1153.5

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Pr
Jan	10.80	10.86	10.56	10.
March	11.08	11.23	10.87	11.
May	11.52	11.58	11.23	11.
July	11.86	11.90	11.67	11.
Sept	12.07	11.80	11.80	11.
Oct	12.21	12.24	11.92	11.
Jan	12.28	12.40	12.40	12.
March	13.00	—	—	12.

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Pr
Oct	61.70	61.15	60.60	60.
Dec	59.77	60.15	59.40	59.
Feb	59.27	58.90	58.00	58.
April	61.40	62.05	61.35	61.
June	63.52	64.10	63.50	63.
Aug	62.70	63.25	62.82	62.

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Pr
Oct	41.45	41.70	41.15	41.
Dec	40.72	41.35	40.30	40.
Feb	44.00	44.20	43.17	43
April	44.37	44.65	43.67	43.
June	50.02	50.10	49.35	49.
July	51.75	51.90	51.20	51.
August	50.95	51.25	50.77	50.
Oct	50.22	50.40	50.08	50.
Dec	52.10	52.15	52.10	52.

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Pr
Dec	357.4	358.0	351.4	346.
March	365.0	366.6	361.0	348
May	364.6	355.0	351.2	349
July	351.0	352.0	349.0	348.
Sept	323.4	322.4	318.4	319.
Dec	301.0	302.4	299.2	298

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Pr
Feb	58.62	59.02	58.50	57.0
March	58.50	59.10	57.05	57.3
May	60.37	60.90	60.00	58.2
July	60.92	61.70	60.05	58.6
August	59.30	60.45	59.00	58.5

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low	Pr
Nov	865.4	865.4	846.0	835.
Jan	887.6	891.6	865.0	861.
March	894.0	894.0	878.4	884.
May	894.4	894.4	878.4	884.
July	885.0	885.0	870.0	865.
August	857.0	857.0	843.0	827
Sept	775.0	779.4	757.0	745.
Nov	698.0	704.0	685.0	676.
Jan	711.0	711.0	703.0	697

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Pr
Oct	236.0	236.5	230.5	226.3
Dec	241.2	241.2	236.0	231.2
Jan	241.5	241.0	236.0	231.1
March	242.8	242.8	237.0	232.
May	243.0	243.0	237.5	234.
July	243.0	243.0	237.5	236.
Aug	233.0	235.0	228.0	228.
Sept	227.5	222.5	217.0	214.
Oct	200.0	200.0	198.5	196.
Dec	196.0	199.0	195.0	194.1

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Pr
Oct	31.15	31.25	30.60	29.97
Dec	31.23	31.25	30.70	30.7
Jan	31.35	31.35	31.00	30.3
March	31.38	31.38	30.88	30.29
May	30.89	30.92	30.60	29.82
July	30.05	30.48	29.38	29.05
August	28.85	28.85	28.05	27.95
Sept	27.30	27.70	26.90	26.40
Oct	25.40	25.95	24.70	24.40
Dec	24.90	24.90	24.30	24.20

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Pr
Dec	369.2	372.4	368.2	366.0
March	382.2	385.0	380.4	379.0
May	380.61	386.0	381.4	378.4
July	369.0	372.6	366.5	367.4
Sept	377.0	378.4	375.0	375.0
Dec	389.0	391.4	385.0	387.0

SPOT PRICES—Chicago loose lard 17.00 (18.00) cents per pound. New York tin 590.0-596.0 (590.0-600.0) cents per pound.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling both lose ground

The dollar finished weaker than Wednesday's closing levels in London yesterday despite finishing towards its best level of the day. Early losses reflected a lack of follow through in reaction to the current Iraq/Iran conflict with many people now running long dollar positions. There was also some hesitation ahead of U.S. economic indicators due out later yesterday and today.

Sterling failed to hold earlier levels with the prospect of higher oil prices due to Middle East unrest tending to fade as a market factor.

DOLLAR — Trade weighted index (Bank of England) 126.2 against 122.4 six months ago. The dollar has retreated from the peaks touched in August, amid hopes that a sustained fall was imminent, following better money supply figures and a slight easing in interest rates. A large U.S. budget deficit is likely to restrain the fall in interest rates and the dollar but downward pressure on the currency will continue due to the substantial trade deficit.

The dollar closed at DM 2.6040 down from DM 2.6145 and SwFr 2.1135 compared with SwFr 2.1230. Against the yen it slipped to Y232.65 from Y234.25 and FFr 7.9635 from FFr 7.9875.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. September average 1.4991. Trade weighted index 83.6, against 83.8 at noon and 83.7 at the opening and compared with 83.7 on Wednesday and 82.8 six months ago. The pound has tended to weaken recently with a decline against Continental currencies probably welcomed, and not preventing a long awaited half point cut in London clearing bank base rates.

Sterling fell to $1.4965 against the dollar during the afternoon from an early level of $1.5005 but managed to recover a little to finish at $1.4995-1.5005, a fall of 40 points from Wednesday's close. Against the D-mark it finished at DM 3.9075 from DM 3.950 and SwFr 3.1725 from SwFr 3.1950. It was also lower against the French franc at FFr 11.9450 compared with FFr 12.01 and Y349.5 against Y352.5.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3220. September average 2.6683. Trade-weighted index 127.1 against 130.4 six months ago. Until the recent easing of U.S. M1 money supply the D-mark had been at its lowest level for nearly 10 years against the dollar, reflecting the large differential in interest rates. However there now appears to be gradual shift in emphasis towards economic fundamentals, with the German currency looking increasingly attractive on this basis.

The D-mark was mixed against major currencies at the Frankfurt fixing. The dollar fell to DM 2.6013 from DM 2.6118 without any intervention by the Bundesbank, but sterling rose to DM 3.9160 from DM 3.9150. News was scarce and there were no new factors in the market, with little reaction to demonstrations against the stationing of U.S. missiles in Germany.

JAPANESE YEN — Trading range against the dollar in 1983 is 246.90 to 226.80. September average 242.44. Trade-weighted index 152.9 against 145.4 six months ago. The yen was recovering slightly faster than most European currencies against the dollar until stopped by renewed concern about Gulf oil supplies and doubts about lower U.S. interest rates. A buoyant equity market and strong trade performance have added to the attractions of the Japanese currency.

The yen declined against the dollar in modest Tokyo trading. The U.S. currency touched a peak of Y234.50 in early trading, but then lost ground as commercial orders dried up in the afternoon. It closed at the day's low of Y233.60, compared with the previous finish of Y233.30.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.8896	+2.20	+1.74	±1.5447
Danish Krone	8.14104	8.15002	+0.11	−0.35	±1.6425
German D-Mark	2.24184	2.25463	+0.57	+0.11	±1.0642
French Franc	6.87456	6.89947	+0.36	−0.10	±1.4052
Dutch Guilder	2.52595	2.52709	+0.05	−0.41	±1.4964
Irish Punt	0.72569	0.728010	+0.32	−0.14	±1.6689
Italian Lira	1403.49	1370.10	−2.38	−2.38	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 13	£	$		£ Note Rates
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

Oct. 13	Bank of England Index	Morgan Guaranty Changes%
Sterling	83.6	−7.7
U.S. dollar	126.2	+14.8
Canadian dollar	99.0	+1.0
Austrian schilling	117.7	+5.8
Belgian franc	90.9	−11.2
Danish kroner	80.4	−4.8
Deutsche mark	137.1	+8.1
Swiss franc	152.3	+13.1
Guilder	118.7	+5.0
French franc	67.5	−14.7
Lira	48.2	−11.4
Yen	159.9	+10.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Oct. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.706748	0.576594
U.S. $	8½	1.06803	0.866352
Canadian $	9.45	*	1.06741
Austria Sch	3¾	19.4543	15.8635
Belgian F	9	56.2557	45.8896
Danish Kr	7½	10.0022	8.15003
D mark	4	2.76266	2.25463
Guilder	5	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

* CS/SDR rate for Oct 12: 1.30721

THE POUND SPOT AND FORWARD

Oct 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4965-1.5070	1.4995-1.5005	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 80.85-80.95. Six-month forward dollar 0.27-0.32c dis. 12-month 0.50-0.70c dis.

THE DOLLAR SPOT AND FORWARD

Oct 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4965-1.5070	1.4995-1.5005	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.90-53.95.

EXCHANGE CROSS RATES

Oct. 13	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.500	3.905	349.5	11.945	3.172	4.375	2372.	1.848	79.55
U.S. Dollar	0.667	1.	2.605	233.0	7.963	2.115	2.918	1581.	1.232	53.03
Deutschemark	0.256	0.384	1.	89.44	3.057	0.812	1.120	607.0	0.473	20.36
Japanese Yen 1,000	2.861	4.292	11.18	1000.	34.18	9.077	12.52	6787.	5.289	227.6
French Franc 10	0.837	1.256	3.271	292.6	10.	2.656	3.663	1986.	1.548	66.60
Swiss Franc	0.315	0.473	1.232	110.2	3.765	1.	1.380	747.7	0.583	25.07
Dutch Guilder	0.229	0.343	0.893	79.86	2.729	0.725	1.	541.9	0.422	18.17
Italian Lira 1,000	0.422	0.633	1.647	147.3	5.036	1.337	1.845	1000.	0.779	33.54
Canadian Dollar	0.541	0.811	2.114	189.1	6.462	1.716	2.368	1283.	1.	43.05
Belgian Franc 100	1.257	1.886	4.912	439.3	15.02	3.988	5.503	2982.	2.324	100.

FINANCIAL FUTURES

Further falls

Prices retreated once again on the London International Financial Futures Exchange yesterday as early attempts at a rally petered out. Gilts opened firm at 106-03 for December delivery, but this was the highest level of the day, and on a failure to follow through the contract fell to a low of 105-00, before closing at 105-01, compared with 105-31 previously, in the absence of support at any particular level. The general weakness of the market reflected losses of nearly £1 in longer dated gilt cash prices as U.S. Treasury bond prices opened weak.

Sterling's decline on the foreign exchanges, after a firm start against the dollar, was another depressing factor for the market, while the fall of 0.3 per cent in UK August industrial production added to the gloom.

The lack of movement in London interest rates may have contributed to the slow trading in three-month sterling deposit futures. December opened at 90.60, the lowest level of the day, but moved within a very narrow range, touching a high point of only 90.64, which was also the closing level, compared with 90.59 on Wednesday.

Eurodollars for December delivery also traded in a narrow range after opening at 90.17, and falling to a low of 90.16. The contract rose to a peak of 90.23, and closed at 90.18, against 90.16 previously. A slightly easier tone at times in the cash Eurodollar market gave some support to futures prices, but there was nothing to underpin sentiment, and U.S. traders entered the Chicago market as sellers. Federal funds failed to move from around the 9½ per cent level despite intervention from the Federal Reserve, adding funds to the New York banking system by overnight and four-day system repurchase agreements.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.18	90.23	90.16	90.16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH STERLING DEPOSIT £250,000 points of 100% — [illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% — [illegible]

STERLING £25,000 $ per £ — [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM — [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr — [illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	0.4342	—	—	0.4332
June	0.4377	—	—	0.4367

Volume 104 (60)
Previous day's open int 169 (161)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100% — [illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100% — [illegible]

CERT. DEPOSIT (IMM) $1m points of 100% — [illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100% — [illegible]

STERLING (IMM) Se per £ — [illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June	—	—	—	64-15
Sept	—	—	—	64-07
Dec	—	—	—	—

MONEY MARKETS

UK rates steady in quiet trading

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

UK interest rates showed little change yesterday in rather lacklustre trading. Overnight interbank money opened at 9-9¼ per cent and eased to 8½-8¾ per cent before coming back to 9¼-9½ per cent. However late balances were taken as low as 2 per cent.

The Bank forecast a shortage of around £200m, later revised to £250m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £209m and the unwinding of previous sale and repurchase agreements accounting for a further £212m. On the other hand exchequer transactions added £147m and banks brought forward balances £55m above target.

The Bank gave assistance in the morning of £233m, comprising purchases of £62m of eligible bank bills in band 2 (15-33 days) at 9 per cent and in band 3 (34-63 days) £119m of eligible bank bills at 8⅞ per cent. In band 4 (64-91 days) it bought £3m of local authority bills and £49m of eligible bank bills all at 8¾ per cent. In the afternoon the Bank gave further assistance of £15m, buying eligible bank bills in band 3 at 8⅞ per cent.

In New York the Federal Reserve Bank entered the market to add reserves through overnight and four-day repurchase agreements. At the time of the intervention overnight Federal funds were trading at 9½ per cent.

In Frankfurt call money was quoted at 5.55 per cent. Trading conditions were a little more relaxed after Wednesday's decision by the Bundesbank to inject reserves through currency swaps. However Lombard borrowing remained high since funds have been credited to banks in three batches on Wednesday, yesterday and today, helping to replace money drained by a DM 6.5bn repurchase facility which matured on Tuesday. The currency swaps will run until October 24 and 25 but there was no official indication as to the amount involved.

LONDON MONEY RATES

Oct. 15 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposit	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	9-9½	9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	—	—	9-9¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	—	9⅛-9¼	9-9¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	9⅛-9⅛	9¼ 9⅛	9¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	9⅛ 9¼	9⅛-9⅜	9¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	9⅜-9½	9⅜ 9⅛	9⅛ 9⅜	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	9⅜-9¼	9½-9⅝	9⅛-9½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	9½ 9⅝	9⅝-9⅞	9⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	9½ 9⅝	9¾ 9⅞	9¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	10⅛-10¼	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 8.716 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10% per cent; four years 10¼ per cent; five years 11 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four months bank bills 8⅞-9 per cent; four months trade bills 9⅝ per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅞ per cent and three months 8⅞ per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 8⅞ per cent and three months 8⅞ per cent; trade bills 9⅝ per cent; two months 9⅞ per cent; three months [illegible] per cent.

Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from October 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 6½ per cent.

Treasury Bills: Average tender rates of discount 8.8639 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9⅝ per cent; one-three months 9⅝ per cent; three-six months 9⅝ per cent; six-12 months 10 per cent. Under £100,000 9⅛ per cent from October 5. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 6 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 13	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschmark	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 13)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 5/8	offer 9 3/4	bid 9 3/4	offer 9 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Prime rate; Fed funds (lunch-time); Treasury bills (13-week); Treasury bills (26-week) — [illegible]

GERMANY — Lombard; Overnight rate; One month; Three months; Six months — [illegible]

FRANCE — Intervention rate; Overnight rate; One month; Three months; Six months — [illegible]

JAPAN — Discount rate; Call (unconditional); Bill discount (3-month) — [illegible]

SWITZERLAND — Discount rate; Overnight rate; One month; Three months; Six months — [illegible]

NETHERLANDS — Overnight rate; One month; Three months; Six months — [illegible]

$ CERTIFICATES OF DEPOSIT — One month; Three months; Six months; One year — [illegible]

LONG TERM EURO $ — Two years; Three years; Four years; Five years — [illegible]

SDR LINKED DEPOSITS — One month; Three months; Six months; One year — [illegible]

ECU LINKED DEPOSITS — One month; Three months; Six months; One year — [illegible]

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The Table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, October 12 1983. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

Bank of America, Economics Dept., EMEA London
Eurodollar Libor as of October 12 at 11.00 a.m.
3 months: 9⅝ 6 months: 9¾

SDR1 = U.S.$1.0603
Sibor as of October 12 at 11.00 a.m.
3 months: 9⅝ 6 months: 9⅞

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60	Grenada	E. Caribbean $	2.70	Peru	Sol	2068.19
Albania	Lek	0.7401	Guadaloupe	Franc	7.9870	Philippines	Peso (4)	14.008
Algeria	Dinar	4.8401	Guam	U.S. $	1.00	Pitcairn Is.	N.Z. Dollar	1.5094
Andorra	Fr. Franc	7.9875	Guatemala	Quetzal	1.00	Poland	Zloty (D)	95.49
	Sp. Peseta	101.50	Guinea Bissau	Peso	41.4977	Portugal	Escudo	124.55
Angola	Kwanza	30.214	Guinea Rep.	Syli	23.2814	Port Timor	Escudo	n.a.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

n.a. Not available. (m) Market rate *U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Israel: Devalued approx. 23 per cent October 11. (2) Paraguay operates a two tier system, ex-imports, exports and government transactions, m—all other transactions. (3) Ghana: Central Bank announced devaluation of approx. 998 per cent effective October 11. (4) Philippines Peso now floating from October 5. (5) Venezuela—three tier system has developed. This rate is for all essential imports. (6) Venezuela—non-essential import rate. (7) Venezuela—floating rate for tourists. For further information please contact your local branch of the Bank of America.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 13.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 10¼ 90	100	94⅞	94¼	−0⅛	−0½	11.44
Bank of America 9 88 XW	150†	86⅞	87⅝	+0½	+0⅛	11.83
Bank of Tokyo 11 90	100	95⅞	95⅞	−0⅛	−0½	11.97
British Col Hyd 10¼ 88	200	97	97½	+0⅛	−0⅛	11.83
C.C.C.E. 11¾ 91	193	94	94½	−0⅛	−1	12.62
C.C.C.E. 12⅝ 95	75	98⅞	99⅜	−0⅛	−0⅛	12.78
Can Imp Bk Com 11 90	75	92⅛	93½	0	−0½	12.59
Citicorp O/S 10⅞ 90	100	92⅝	93⅛	+0⅛	−0⅜	11.97
Citicorp O/S 11⅞ 90	100	97⅝	98⅛	0	−0½	12.22
Coca Cola Int 9⅞ 92	100	91⅞	92⅜	−0⅛	−1¼	11.32
Cred Suisse BAH 10½ 90	150	96⅜	97¼	0	−0⅜	11.10
Den Norsk Cred 11⅛ 93	50	93½	94	+0⅛	−0⅜	12.37
Du Pont 11⅛ 95	150	98⅞	99⅜	−0⅛	−0⅞	11.37
E.C.S.C. 11⅞ 90	75	98⅞	99⅞	+0⅛	−0⅜	11.83
E.D.C. 11¾ 91	100	100⅛	100⅝	−0⅛	−1	11.82
E.D.F. 11⅛ 93	100	92⅜	93⅛	−0⅛	−1	12.30
E.E.C. 11 01	350	98½	98⅞	0	−1⅛	11.52
E.I.B. 10¾ 93	200	92⅝	93⅛	0	−0½	12.01
E.I.B. 11 01	125	95⅞	95⅞	0	−0⅜	11.89
E.I.B. 11⅞ 93	150	98⅛	98⅝	0	−0⅜	12.10
Electrolux 10½ 90	50	91¼	91¾	+0⅛	−0⅜	12.42
Esselte Fin 11⅝ 93	100	95⅜	96⅞	0	−0⅞	12.33
Fuji Int Fin 10⅞ 90	100	94⅛	94⅝	0	+0⅛	12.19
Gen Elec Credit 9¾ 91	100	91⅛	92	−0⅜	−1⅛	11.38
GMAC O/S Fin 10½ 90	200	96⅝	97⅛	+0⅛	−0⅛	11.18
Honeywell Int 10¾ 90	100	97⅜	97⅞	−0⅛	−0⅜	11.26
Indust Bk Japan 10⅞ 88	100	97¼	97¾	+0½	−0⅜	11.57
Japan Air Lines 10⅞ 98	42	92⅜	92⅞	−0⅛	−1¼	11.95
Japan Air Lines 11 93	15	95¼	95¾	0	−0½	11.79
J. P. Morgan 11⅞ 90 WW	190	98¼	98¾	+0⅛	−0⅜	11.80
Levi Strauss Int 11 90	75	96⅞	97⅜	0	−0½	11.61
L.T.C.B. 10¾ 90	100	93⅞	94⅛	−0⅛	−0½	12.08
L.T.C.B. 12½ 90	85	102¾	103½	−0⅛	−0⅛	11.84
Merrill Lynch 10⅞ 98	200	95¼	95¾	+0⅛	−1½	11.91
Mitsubishi Corp 10½ 88	100	94⅞	94⅞	−0⅜	−0½	11.74
Mitsubishi Fin 11⅞ 90	100	96½	97	−0⅛	−0⅜	12.88
Nippon Credit 11 93	100	94⅞	95⅜	0	−0½	12.08
World Bank 11⅛ 93	100	98⅞	99¼	−0⅛	−0⅜	11.51
World Bank 11½ 90	150	98	98½	−0⅛	−1⅜	11.87
World Bank 12 93	200	99⅞	100⅜	0	−0¾	11.97

Av. price changes: on day 0, on week −⅝

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 1⅛ 93	100	101⅛	101⅞	−0⅛	−1⅜	7.18
A.N.A.S. 9¼ 88	100	99	99½	+0⅛	−0⅛	8.43
Arab Banking Corp 9 88	100	97⅛	97⅝	+0⅛	0	8.87
Austria, Rep 7⅞ 89	100	99¾	100¼	+0⅛	+0⅛	7.61
Austria, Rep 0 93	100	101⅞	102⅛	−0⅜	+0⅛	7.73
Avon Int Fin 7½ 93	100	99⅞	100⅝	0	−0⅞	1.47
Beatrice Foods 7¾ 93	130	102⅞	103⅜	+0⅛	+0⅛	7.30
B.F.C.E. 9⅛ 90	150	101⅛	102	0	−0⅛	7.92
Comp Tel Nac Esp 9⅛ 93	100	98⅞	97⅞	+0½	+0⅜	0.87
Dresdner Finance 4 90 WW	250†	105	106½	+0⅜	+1⅛	3.04
Dresdner Finance 4 90 XW	250	83¾	84½	0	−0⅜	7.05
E.C.S.C. 9 90	100	101⅞	101⅞	+0⅛	−0⅛	7.68
E.E.C. 9¼ 03	250	101⅞	102½	0	−0½	7.97
E.I.B. 0 93	200	99½	99½	+0⅛	−0⅛	8.89
Eurofima 7½ 90	100	99⅞	100⅛	0	−0⅛	7.44
Finland Rep 1½ 88	150	98⅞	99⅜	+0⅛	−0⅛	7.63
Int Standard Ele 7¾ 93	100	100½	101	+0⅛	−0⅛	7.53
Ireland 8⅝ 91	150	98⅞	100⅛	+0⅛	0	8.69
Japan Dev Bank 7½ 90	100	101½	101⅞	+0⅜	+0⅛	7.20
Kobe City 1 93	120	96¾	97¼	0	0	7.44
L.T.C.B. 0 90	100	102⅞	102⅞	+0⅛	−0⅛	7.40
Renault Acceptance 0 90	150	88	98½	+0⅛	−0⅜	8.34
S.O.R. France 7⅞ 93	100	97	97½	0	+0⅛	8.28
Sth African Tran 0⅛ 00	100	99	99½	+0⅛	+0⅛	8.31
World Bank 1½ 90	250	97⅞	98⅜	+0⅛	−0⅛	7.80
World Bank 7⅞ 89	300	99⅞	100⅜	+0⅛	+0¾	7.84

Av. price changes: on day +⅛, on week +⅛

SWISS FRANC STRAIGHTS — Issued, Bid, Offer, Change on day, week, Yield

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	99	99¼	0	+0¼	5.74
Bank of Tokyo 9 91	100	102⅛	102¾	−0⅜	−0⅛	5.60

EIB launches third Eurobond market foray this week

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

IN AN otherwise quiet day yesterday, the international bond markets were left with only one of their most loyal customers, the European Investment Bank, to provide new primary market business.

The bank launched an Ecu 50m, 10-year, 11⅛ per cent bond through Société Générale de Banque. Issue price has been left open but is expected to be par.

This is the bank's third foray into the markets this week. Besides a DM 100m private placement launched on Tuesday, it has also announced a SwFr 100m, 10-year bond, which was priced yesterday by lead manager Union Bank of Switzerland. The bond will bear a coupon of 5¾ per cent with issue price 99¼.

Fixed-rate dollar Eurobonds were little changed in uncertain trading yesterday. Confusion about the trend of U.S. interest rates also limited price movements in Swiss and German bond markets yesterday in moderate turnover.

Japan considers use of 'Nakasone bonds'

TOKYO – The Japanese Finance Ministry is considering amending laws controlling national bond flotation in case the Government decides to issue dollar bonds in the U.S. market.

Flotation of such bonds, called "Nakasone bonds," has been proposed by several U.S. bankers and economists as a measure to encourage capital flow into Japan to support the yen against the dollar.

The issue of such bonds would also diversify the markets for national bond flotation, now confined mostly to the Tokyo market, because Japan will have to continue massive national bond flotation.

An economic package due to be adopted by the Japanese Government later this month is expected to refer to the possible issue of Nakasone bonds, they said.

Bills for amendment of the law on national bond flotation and the law for tax exemption of foreign currency bonds, which are blocking dollar bond issues, may be presented to the next session of parliament, they said.

The Ministry is also considering flotation of Government-guaranteed dollar bonds by semi-official organisations such as the Japan Development Bank, the Nippon Telegraph and Telephone Public Corporation (NTT) and Japan Air Lines, the officials said.

Flotation of such bonds does not require law amendments, because these organisations already issue external bonds, especially in the Swiss bond market, they said.

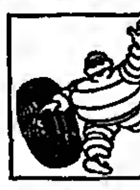
However, straight dollar bond issues would be excessively expensive for commercial issuers at present because dollar bond coupons are around 12 per cent compared with around 8 per cent for yen bonds, while Swiss and German bond coupons are closer to the Japanese level. Reuter

WEEKLY U.S. BOND YIELDS (%)

	Oct 12	Oct 5	1983 High	1983 Low
Composite Corp. AAA	11.95	11.78	12.50	10.62
Composite Corp. AA	12.12	11.01	12.83	10.78
Government:				
Long-term	11.57	11.67	11.98	10.18
Intermediate	11.35	11.35	12.03	9.88
Short-term	10.68	10.40	11.26	9.21
Municipal	N/A	9.47	9.86	8.72
Industrials AAA	11.76	11.78	12.38	10.51
Industrials AA	12.00	11.20	12.62	10.72
Utilities AAA	12.14	13.01	12.81	10.73
Utilities AA	12.24	12.12	13.05	10.86
Preferred Stocks	11.04	11.07	11.41	10.59

Source: Standard & Poor's

MICHELIN



The unaudited Trading Results of the Company, based on historic costs for the first half of the financial year ending 31st December, 1983 are set out below.

	Six months 30.6.83 £'000	Six months 30.6.82 £'000	Year 31.12.82 £'000
GROUP SALES	267,115	232,582	466,402
GROUP PROFIT BEFORE CHARGING	16,110	13,428	21,016
Depreciation	14,531	13,424	27,866
Debenture and Loan Interest	1,938	2,657	4,753
GROUP (LOSS)/PROFIT	(359)	(2,653)	(11,603)
Share of Profit/(Loss) of Assoc. Co.	—	(672)	235
GROUP (LOSS)/PROFIT BEFORE TAXATION	(359)	(3,325)	(11,368)
Taxation	(64)	(412)	(1,089)
GROUP (LOSS)/PROFIT AFTER TAXATION	(423)	(3,737)	(12,457)
Minority Interest	(530)	(206)	(645)
Extraordinary Items	—	—	(41,508)
GROUP (LOSS)/PROFIT ATTRIBUTABLE TO PARENT COMPANY	(953)	(3,943)	(54,610)

The plan for the restructuring of the UK manufacturing activities announced at the end of last year is being progressively implemented and at the half-year stage, results were in accord with forecasts. Both sales and financial results showed a modest improvement by comparison with the first half of 1982. While still low by historical standards, domestic tyre demand has increased, particularly in the car tyre sector. No improvement is yet discernible in the major export markets.

Progress in the second half has been hampered by production losses resulting principally from industrial action at the Stoke-on-Trent factory and for this reason, a profit is not expected in the full year results. A primary objective of the Company is to restore profitability at the earliest possible time and this is expected during 1984.

Note: The results for the year ended 31st December 1982 are based on the full audited accounts filed with the Registrar of Companies and on which the auditors gave an unqualified report.

MICHELIN TYRE PUBLIC LIMITED COMPANY
Stoke-on-Trent ST4 4EY

NSK

Notice to the Bondholders of

NIPPON SEIKO K.K.

U.S.$30,000,000 7½ per cent. Convertible Bonds Due 1994
£20,000,000 6½ per cent. Convertible Bonds Due 1996

Pursuant to the Terms and Conditions of above-mentioned Bonds, we hereby notify as follows;

1. The Board of Directors authorized on 7th October, 1983, to effect a free distribution of shares at the rate of six (6) new shares for each one hundred (100) shares held as of 3:00 p.m. on 31st October (Monday), 1983 (the record date).
2. Accordingly, the Conversion Price of the above-mentioned Bonds will be adjusted pursuant to Condition 6 of Terms and Conditions of the Bonds effective as from the 1st November, 1983 Tokyo Time.
   (1) U.S.$30,000,000 7½ per cent. Convertible Bonds Due 1994
   Conversion Price before adjustment: Yen 339.00
   Conversion Price after adjustment: Yen 319.60
   (2) £20,000,000 6½ per cent. Convertible Bonds Due 1996
   Conversion Price before adjustment: Yen 562.00
   Conversion Price after adjustment: Yen 530.20

NIPPON SEIKO K.K.
Dated: 14th October, 1983 — 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

COMPANY NOTICES

MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifty-fourth annual general meeting of shareholders of Minerals and Resources Corporation Limited will be held at the Southampton Princess Hotel, Southampton, Bermuda at 09h30 on Monday, November 5, 1983 for the following business:

1. To consider the financial statements and the reports of the directors and auditors for the year to June 30, 1983.
2. To elect directors.
3. To reappoint Deloitte Haskins & Sells as auditors and to fix their remuneration.
4. To consider and, if deemed fit, to pass with or without modification, the following resolution:
   "That the authorised capital of the Corporation be and is hereby increased from Bd$245,000,000 to Bd$259,000,000 by the creation of 10,000,000 new ordinary shares of Bd$1.40 each, which shares shall, on issue, rank pari passu with the existing ordinary shares of this Corporation, and that the issue of such shares be under the control of the directors."
5. To consider and, if deemed fit, to pass with or without modification, the following resolution:
   "That the fee payable to each director, in terms of bye-law 60, be increased from U.S.$5,000 per annum to U.S.$7,500 per annum and that, in addition, an attendance fee of U.S.$500 for each board meeting be payable to each attending director or alternate, with effect from July 1, 1983."

The reasons for proposing resolutions given in (4) and (5) above are given in the report of the directors.

A shareholder entitled to attend and vote at the meeting is entitled to appoint another shareholder as proxy to attend and, on a poll, to vote instead of the shareholder. A form of proxy is enclosed for shareholders with this annual report.

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at any general meeting of Minorco must comply with the regulations of Minorco under which share warrants to bearer are issued. These regulations are obtainable from the head office of Minorco and the UK transfer agents.

By order of the board of directors
D. E. FISHER, Secretary and Treasurer
Pembroke, Bermuda
October 11, 1983

U.K. Transfer Agents: Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ

South African Transfer Agents: Consolidated Share Registrars Limited, P.O. Box 61051, Marshalltown 2107, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001, South Africa

Head Office: P.O. Box 650, Hamilton 5, Belvedere Building, Pitts Bay Road, Pembroke, Bermuda

Copies of the latest annual report and accounts may be obtained upon application to any of the abovementioned addresses.

NOTICE OF RATE OF INTEREST

CREDIT FONCIER DE FRANCE
U.S.$75,000,000
Guaranteed Floating Rate Notes due 1988

In accordance with the provisions of the Interest Determination Agency Agreement between Credit Foncier de France and National Bank of Abu Dhabi, Paris Branch, dated as of 18th September, 1981, notice is hereby given that the Rate of Interest has been fixed at 10⅝ per cent per annum, and that the Coupon Amount payable on 16th April, 1984, against Coupon No. 6 will be US$260.18 and that such amount has been computed on the actual number of days elapsed (180) divided by 360.

By: National Bank of Abu Dhabi, Paris Branch
12th October, 1983 — Reference Agent

GOLD FIELDS GROUP
VLAKFONTEIN GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)

REDUCTION OF CAPITAL

At the annual general meeting of members held on 13 October 1983, a special resolution was passed reducing the authorised and issued capital of the company from 70 cents per share to 50 cents per share. Application is being made to the Supreme Court of South Africa (Witwatersrand Local Division) for confirmation of the reduction of capital. Members will be informed by circular in due course of the outcome of the application.

GOLD FIELDS OF SOUTH AFRICA LIMITED
Secretaries per A. J. Collier
13 October 1983

KOCKUMS MEKANISKA VERKSTADS AKTIEBOLAG

US$60,000,000 [illegible] Guaranteed Notes 1985

HAMBROS BANK LIMITED hereby gives notice that the Notes [illegible] drawing [illegible] 14th October 1983.

HAMBROS BANK LIMITED

REPUBLIC OF COSTA RICA
Floating Rate Note Issue of U.S.$ 20 million April 1978/85

The rate of interest applicable for the six months period beginning on 13th October 1983 and set by the reference agent is 11⅞% annually.

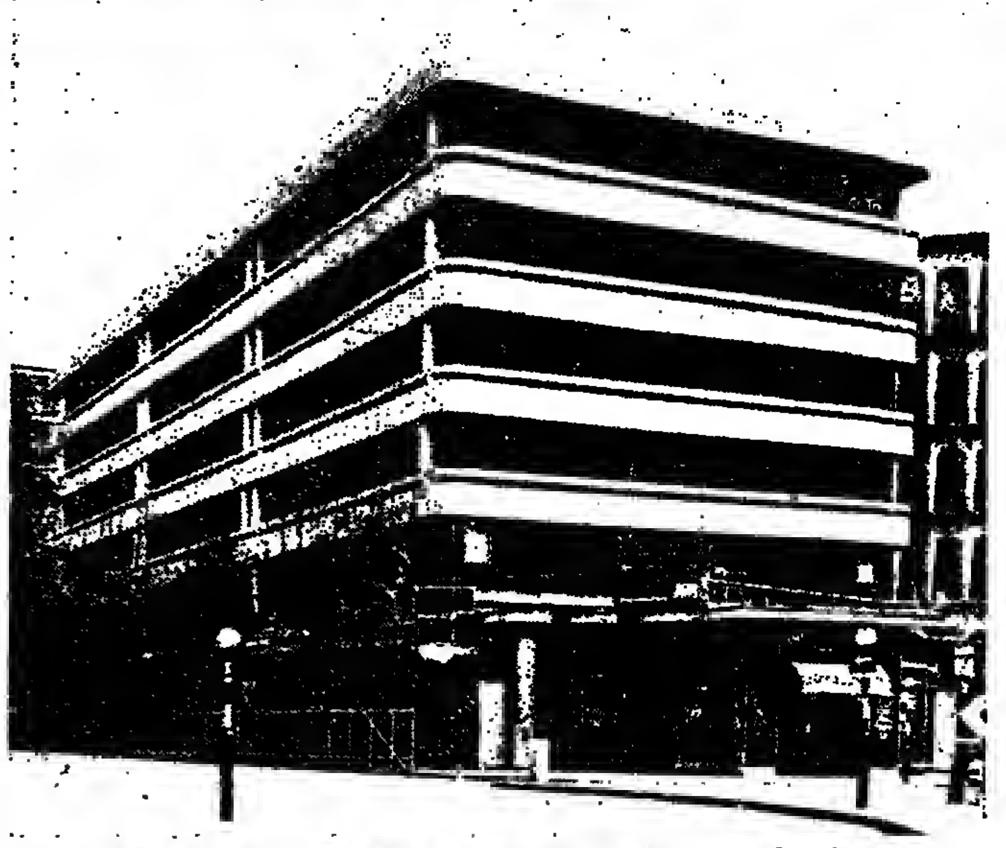
AMALGAMATED DISTILLED PRODUCTS
APPROVAL OF SCHEME OF ARRANGEMENT

NOTICE IS HEREBY GIVEN that on 13th October, 1983, the Court of Session, Scotland, ordered that the [illegible] Scheme of Arrangement [illegible] 13th October, 1983.

FINANCIAL TIMES SURVEY

UK Property

Parts of the market are stirring again but millions of square feet of unwanted floor space have been shed by occupiers hit by the recession. The big question is whether disenchanted investors will renew their commitment to the sector



New buildings for old: 20 Cannon Street, in the City of London, has been transformed from a typical mid-1960s building into an office block offering all the technological benefits of the 1980s

Questions about revival remain

By MICHAEL CASSELL, Property Correspondent

THE GOOD news from the UK commercial property sector is that there does not appear to be quite so much bad news about. The steady stream of discouraging events and comments—at times threatening to turn into a flood—which have continued to underline the market's recent problems appears finally to be drying up.

A marketplace which has been short on tenants and long on space and which in recent months has conspired to force developers like Ronald Lyon on to his knees, to impose liquidity problems on some property unit trusts and to push institutional investors into hiding could be over the worst.

But, revival or not, the industrial and commercial shake-out which has been induced by the Government's "fitter and leaner" economic philosophy has had a profound impact on the space requirements of tenants and owner-occupiers alike. Their experiences are likely to colour their attitudes towards property from now on.

Pressures on overheads at a time of hard-earned or non-existent profits have sparked off a reappraisal of needs which is still under way and which has led directly to the offloading of millions of square feet of unwanted floorspace.

Changing tenant requirements also threaten to consign large volumes of this redundant space to the scrapheap, particularly in the industrial sector.

Now, however, the optimists point to several indicators to support their case that activity is again on the upturn and that the market's badly dented confidence is gradually being restored.

Throughout the property sector's recent bad run a few bright patches have remained—notably in the retail market and in one or two prime office locations—but now there are at least some grounds for believing a more widespread recovery may be underway.

Recent weeks have provided evidence that those parts of the market which have until now provided no cause for optimism in terms of tenant demand—the catalyst required to activate the entire property development and investment cycle—are stirring again.

Nowhere has the picture over the last couple of years been more consistently bleak than in the industrial property sector, where the combination of massive oversupply and weak demand has created an imbalance of record proportions. Even here, though, the corner may just have been turned.

A nationwide survey by agents King & Co has revealed that after a continuous rise in available industrial floorspace since the end of 1979 the volume has now begun to decline and — just as important — the improving demand has been fairly equally spread around the country. With nearly 170m sq ft of industrial floorspace still available, however, there is a long way to go.

At almost the same time, a review by agents Leslie Lintott of air-conditioned office space in London's West End showed lettings in July had reached the highest level since the agents began their survey in 1978.

Strength

In the City of London a series of recent lettings has provided added strength to a part of the market which has remained, at its heart, inherently strong throughout. Several investment deals at keen prices have also helped to boost morale.

But the optimists do not yet rule and there are large numbers of property people still to be convinced of the strength and length of any upturn in market conditions. The City of London, they point out, may be healthy at the core but the prospects for the fringes remain as bleak as ever, while the outlook for tenant demand and a return to significant rental growth in most provincial offices centres appears equally remote.

In a market where the balance of supply and demand came down firmly in favour of the landlord shortcomings in the quality of property were invariably overlooked. But the prospect of the type of long-term space surplus which some now predict, coupled with rapid changes in workplace technology, could lead to a quick and sizeable dilution in the value of property which falls below the latest standards. The property in question would not necessarily even have to be very old.

The message appears to be that only active portfolio management by those companies which have become used to behaving more like rent collectors than property developers will safeguard their futures.

It is not only the property companies which have been forced to embark on a rethink of the guidelines which have governed the property game for the last decade. The institutions, which have grown to dominate both the investment and the direct development market, have now had their heads turned by more attractive propositions — like index-linked gilts and a strong equity market.

They have been slow to switch their allegiance from property in the face of its deteriorating performance, if only because large-scale property sales (supposing they could find buyers) would hit capital values and because fund managers are not primarily in business to maximise capital returns.

Their changing attitude is more clearly reflected in the volume of new funds which they are prepared to commit to property and this has been dwindling rapidly as 1983 has progressed. Current figures for commitments to the sector are not available but new funds going into the property market are running well below the levels recorded a year ago and are expected to fall still further.

Prudential Pensions was reflecting the attitude of many institutional investors when it recently revealed that its discretionary fund had cut the proportion of assets invested in property by half to about 12 per cent. It emphasised that while the outlook for property was showing some signs of improvement the prospects for other investment markets still remained more attractive.

The big question is whether, as some agents assume, disenchanted investors will begin to renew their commitment to property and to restore their past exposure as they see its relative performance improve.

The opposing view is that many of the institutions—some of which have no historical commitment to property as an investment option—are likely to have taken a longer term view about the potential for property in a low-inflation environment and as a result pushed it down their list of spending priorities.

That property is necessarily the poor relation in a low-inflation economy is not, however, a universally shared view, with the balance of supply and demand remaining the single most critical factor in determining future rental growth and overall performance. Lower interest rates also imply reduced property rental growth requirements.

But whatever the institutional opinion there seems little prospect of any significant short term revival in spending, given minimal rates of rental growth set to continue into 1984, the continuation of better short-term opportunities elsewhere and the increase in overseas property commitments.

Concentrated

Overseas property activity on the part of British investors—still tiny when set against the market place—has remained largely concentrated in the U.S., where individual property centres have been undergoing widely differing experiences.

The attraction of higher yields — enhanced by the continuing historically low yields available in the UK market—has helped keep investment interest among British developers and purchasers alive, though the higher returns are amply reflected in the greater risks which trans-Atlantic ventures involve.

Such ventures remain on the periphery and it is on the health and strength of the domestic market that the future of most UK property companies will depend.

Some developers and investors believe the recent gloom has been overdone. They emphasise that property is after all a cyclical business and that signs of a significant recovery are emerging thick and fast.

The days of rapidly escalating rents and values, of space shortages and landlord supremacy may be over for the forseeable future but the unswerving optimism which has become the hallmark of the property market professionals is clearly far from being extinguished.

CONTENTS

Investment yields waver in difficult year

A YEAR ago the focus was on the short-term deficiencies of property as an investment medium. The recession had finally bitten and the level of tenant demand in all sectors had declined; the institutions, which make the UK investment markets, had a number of more attractive alternatives.

Broadly speaking, UK ordinary shares rose by nearly a third in 1982, international equities by a quarter and British Government fixed interest stocks by around 50 per cent.

Property, then, was a back number. Figures from the Central Statistical Office show that institutional investment in property (excluding shares) during 1982 reached £2.16bn against £2.18bn in the previous year. If operational purchases made by building societies and the trustee savings banks are stripped out, the total falls to £1.84bn against a comparable £1.96bn in 1981.

Moving from the general to the particular, Prudential Pensions, a wholly owned subsidiary of Prudential Corporation, saw its funds under management rise from £890m to £1.08bn. Within that, its equity, international and fixed interest funds showed gains of 26 per cent, 60 and 37 per cent respectively, while the value of its property fund declined by £6m to £329m.

At the same time the 167 properties within the fund were valued at £292m, a rise of £18m. All in all, PPL's report reflects general anecdotal evidence of what has been happening in institutional property investment lately and brings to a respectable conclusion what has been a difficult year.

In the market place the combination of lower tenant and investment demand finally worked its way through to values in mid-1982, when a number of professionals—including Edward Erdman, Richard Ellis and Healey and Baker—indicated a decline of around 5 per cent before allowing for rent revisions and reversions.

Fallen

Their sums then centred on prime property. Later, Ellis divided the £1bn of property on which they keep a watching brief into 20 per cent prime, 60 per cent "standard institutional property" and 20 per cent secondary. By the end of 1982 they reckoned that the "standard band" had fallen by about 10 per cent.

Secondary property had no standard pattern. But the fall in interest rates which was drawing institutional investors away from property—as gilt-edged values accordingly increased—also meant that high yielding secondary property, especially shops, were offering increasingly juicy returns to the private individual.

For the big professional firms this was a minor consideration. Those who could concentrated their mainstream efforts on retail properties, the best performing sector of the market last year, with interest stimulated by buoyancy in consumer spending in the second six months.

Yields on retailing property moved up with the rest last year by between ¼ and ½ of a percentage point to the 3¾ to 4 per cent band for prime. However, agents Healey and Baker did a little fine tuning in September, easing their prime shopping yield down by a tenth of a percentage point to 3.65 per cent.

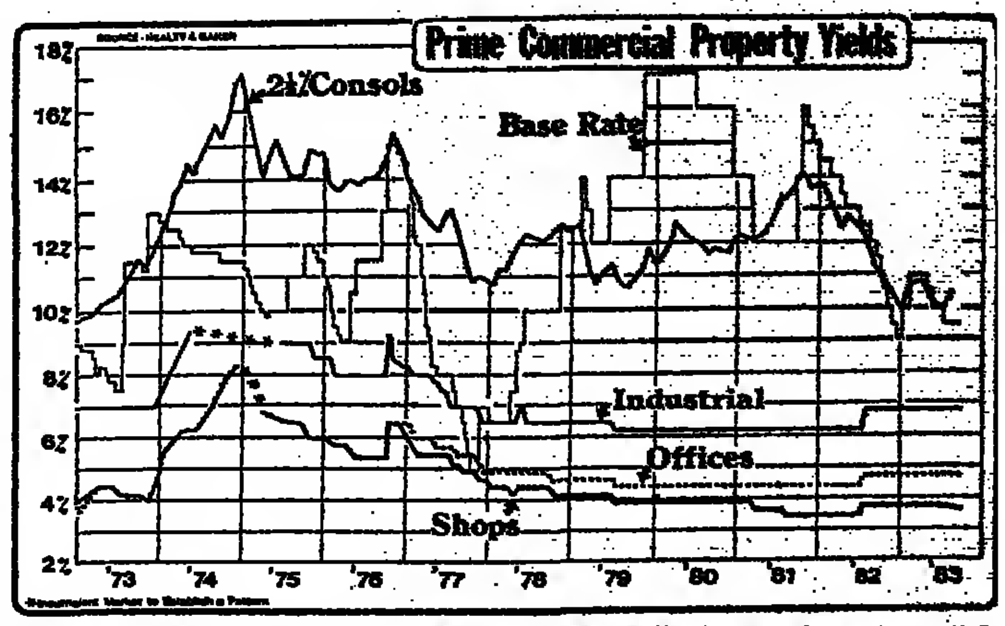
Industrial property might go the other way. The UK recession has depressed manufacturing output, there is a large surplus of vacant space and what little demand there is seems to be concentrated in the southern half of the UK—in particular the south and west of London, although the emphasis could change as the London orbital motorway nears completion in 1986.

At the turn of the year Richard Ellis looked at past and projected patterns for the industry. These had started with the unhealthy assumption that values would not decline and when they did the lack of market information led to the stagnation still apparent today.

Ellis believed then that an upturn in the market was only six to nine months away. They could foresee investors with built-up liquidity balances scrambling for plum properties—which Ellis and its competitors have been picking out for attention when the money came to hand—prices rocketing and the market mechanism breaking down again, this time on the upside.

Prudential Pensions is less extreme. In fact it sees a possible reduction of money flowing into property from UK investors in 1983, "although overseas buyers from the Near and Far East could well be attracted."

"There are already some indications of renewed interest from this direction now that the sterling exchange rate is lower," says PPL.



PPL also sees emphasis focusing on active portfolio management, with a greater element of dealing than in previous years and with selectivity and timing being particularly important.

Meanwhile there have been strong professional and institutional arguments that the gloom in property has been overdone. Peter Steward of agents Knight Frank & Rutley lists a number of reasons why.

First, he says, property is a cyclical animal; the very strong performance of the late 1970s is now being followed by another dull patch. "We may not see rents doubling every five years as some did in the period 1965-80," he says, "but then we probably will not see the retail price index running at over 20 per cent per annum again either."

Low inflation, he notes, means that property yields are not so significantly low as they once looked; that the market is not looking ahead to the effect which a modest upturn in tenant demand would have on rental levels; and that tenants could move up-market, generating demand for new developments.

At institutional level, meanwhile, the gloom and doom brigade provoked Mr Peter Simon, investment director of the Legal and General insurance group, into writing a paper analysing some of the currently widespread reservations about property investment.

Mr Simon is responsible for £7bn of investment funds, £2¼bn of which is in property. The Legal and General is widely regarded to be the biggest property owner in the UK after the Queen and the Church of England—"We're certainly bigger in property than the Pru," a spokesman said earlier this year.

In brief, Mr Simon said that the gloom was overdone. Legal and General "remains confident that property values are likely to be more stable than those found in the stock market," he said.

At one level the argument is whether values have any further to fall before they start rising again. This may seem plain daft in the context of a long-term investment but there is a certain sense in accepting that any security should be allowed to fall to the level where it will find ready buyers, with the accent on "ready."

Such a system requires adequate information on deals which the property industry, as a maturing investment medium, will probably be forced to provide in the end.

William Cochrane

Offices being built for saturated market

KNIGHT FRANK & RUTLEY have noted it and brokers de Zoete and Bevan have highlighted the warning to investment clients. Agents Richard Ellis have observed it in a detailed review of the West End office market and, within that area, other agents have warned of the trend in Victoria. The message from all these property experts is the same—developers are building into a saturated market.

This warning is spelt out succinctly by Knight Frank & Rutley but it might as well have come from any other agent taking a long-term responsible view of the UK office market. The warning is stark. "The unabated level of development in the face of static demand points to inadequacies in the self-regulating mechanism of the market."

Furthermore, the agents add, "the unintended result of the combined actions of the many independently operating developers is often a build-up of supply out of proportion with demand."

Somebody might well remind the development industry that demand, that precious commodity, sometimes proves inelastic.

As de Zoete stress, in a survey compiled recently with the aid of Jones Lang Wootton, the UK office is now, for the first time since the mid-sixties, a tenant's market.

Tenants, naturally, are becoming increasing cautious and discerning. Relocation is something more than a threat or a buzz word; industrial and commercial tenants are increasingly moved to shift their administrative and headquarters staff out of high-cost city centres into cheaper fringe accommodation. A typical compromise with the need to be seen by and entertain important customers and investors is to retain only a small boardroom and perhaps dining facilities in town.

Ceiling

The heart of the City may still be exempt from this recent weakness, as may central Edinburgh, Birmingham and one or two favoured Home Counties locations, but in virtually all other regions tenants and investment institutions are choosing to locate in or buy only prime office accommodation. Typically, the price ceiling seems to be £4m and anything that is not modern, very well located, air-conditioned, rack-rented and flexible as to usage is taking longer and longer to let.

So the differential between what is considered prime and every other secondary property is becoming more and more acute. It is reaching the stage where agents are advising landlords to take older property off the market, to refurbish to modern requirements and wait for a letting upturn.

The office investment market, according to de Zoete, has been slow but steady. Prime yields have risen slightly to about 4½ per cent since last autumn and have remained there since. The brokers point out that funding rates are perhaps 1½ per cent higher and, although institutions are still looking for the best sites, 1960s-built office blocks or large investments are increasingly difficult to sell and hence to value. "If, as we suspect, rents fall in many areas, yields could well rise."

Accurate figures of the vacancy rate in an extensive and diverse property market such as central London are difficult to come by but the brokers have a shot at the figure when they take JLW's estimate of gross office space in the capital at 210m sq ft.

This area is bounded by Hyde Park to the west, Aldgate Pump to the east, to the south by Chelsea Bridge and the Elephant and Castle, and by the northern fringe of Euston Road to the north. De Zoete take JLW's gross figure and net it down to 140m sq ft. They believe that some 15m sq ft of this space is awaiting tenants, or 10.7 per cent is on the market or likely to come into the market very shortly.

De Zoete arrives at this calculation by adding Debenham Tewson & Chinnock's figures for W1 and SW1 and adding them to the Richard Saunders figures covering the EC postal areas together with WC1 and WC2, SE1 and E1, and making a very rough estimate of the amount of vacant space around the fringe of this area, say another 2m sq ft.

Rough and ready though this estimate may be, the brokers warn a vacancy rate in excess of a tenth in any other city "would precipitate a fall in rents."

Answerable

Mitigating some of this gloom is the thought that many schemes are funded these days by institutions which are not answerable to demanding shareholders as are quoted property companies and hence far more likely to take the long view of letting potential. It may also be worth saying, as Jones Lang Wootton—Central London Offices Research have indicated, that relocation occurs fairly often within the total London area—although that still affects the central area—while many firms have taken leave of London plenty of others in the last resort change their minds and stay.

In many areas of southern England outside the central London area the picture is one of continued development and, although precise numbers are hard to come by, agents believe that the vacancy rate in, say, the London suburbs could well be significantly higher than that in the centre.

Further out, the M25, where built and where projected, is proving a useful magnet for demand for obvious communications reasons and the M4 and M3 still provide suitable locations in the triangle.

Other than that, it is possible to identify great tracts of Essex, East Anglia and Kent where demand is thin and activity almost non-existent.

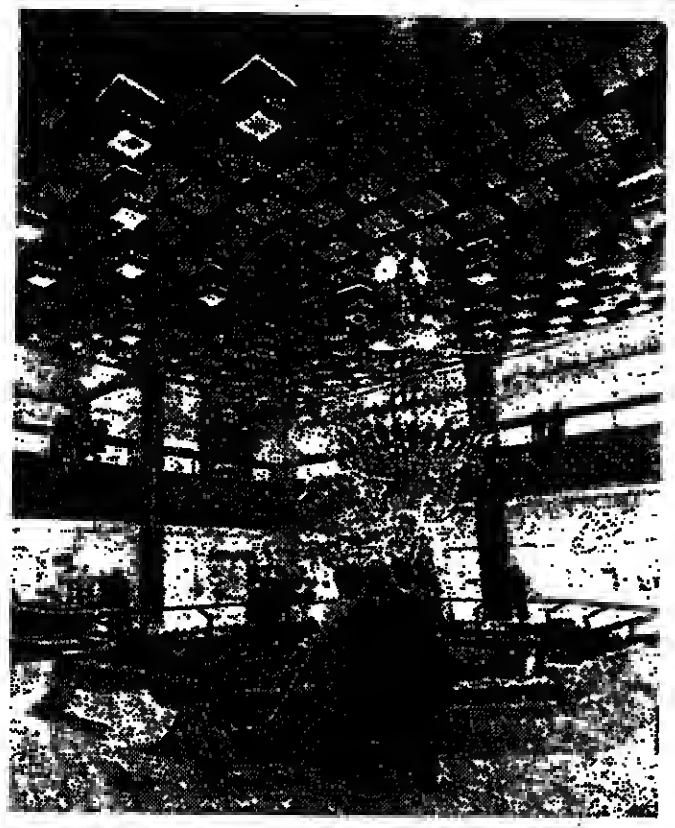
The position, fortunatel begins to brighten north London once other cities co mand the hinterland. Hen Birmingham, which remai overwhelmingly the ma important office centre in t Midlands, is seeing both number of new developme coming on stream accompani by a distinct improvement the demand for space.

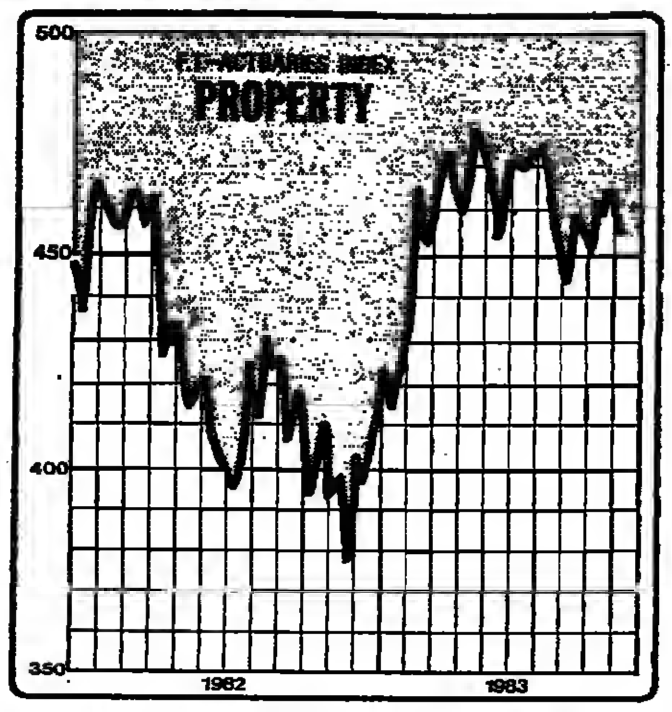
The only plausible reason f Birmingham's sharp contra with outer London and ma parts of the metropolita centre is that virtually no d velopment is taking place any other part of Birmingha apart from its financial dist With no dilution of lett interest through newl schemes, the centre of Birmin ham has seen encouraging fo ward lettings to Sun Allian and Arthur Young McClella Moores in the Snow Hill dev opment. Lettings at Berwi House in the centre have al started.

Other developments Edmund Street, by Espley Tya and Victoria Square, by Ta mac, will come on stream ne year but agents believe th the market can main tain supply and demand in som sort of equilibrium. Rents ma reach £7 per square foot.

Manchester, which any Ma cunian would say is Britain second city, also seems to b seeing a lot of activity. I important city centre offic market is enjoying goo demand from existing tenant who need re-housing and th take-up rate is thought to b around 200,000 sq ft annuall suggesting that there is abou two year's supply currentl available. High rates in th city centre appear to be push ing some prospective tenant out to Manchester's suburb notably Sale, and above amon UK cities the dormitories ar wide awake.

Ray Maughan





Inside Nottingham's Victoria shopping centre: the upturn in consumer spending means that property companies with a strong portfolio of shops should perform better than average

Property shares may be coming in from the cold

PROPERTY SHARES have been playing the part of Cinderella for so long that some of the companies must have been wondering if they would ever be allowed to the ball. Yet in recent weeks there have been tentative signs that this sector, shunned for so long, is starting to attract some buying activity. Even so it is going to be a long time before property shares get to wear the glass slippers.

In August the Financial Times Actuaries property index hit a seven-year low relative to the FT All-Share. It was the culmination of almost uninterrupted weakness since the spring of 1981.

Why the shares fell out of favour with institutions and private investors alike can be put down to a combination of three broad factors. Property investment, and therefore property shares, is a text-book book example of a hedge against inflation. But when inflation started to retreat from its hectic levels of 22 per cent and over the case for property investment became less convincing, especially when fund managers started looking at a level of real interest rates.

Weak outlook

The recession of course played a large part. The continued retrenchment of industry, the brunt of which has been borne by the private sector, has emptied large areas of hitherto bustling industrial conurbations. The outlook for rental growth became decidedly weak. Office demand also dropped as companies slimmed down right through their organisation.

Finally as consumer demand came under pressure retailers' margins were squeezed and demand for shop space also fell away. The argument for buying property shares was hardly strong.

The way institutional thinking changed is evident in some recently compiled statistics for the portfolio distribution of an average private pension fund. These showed that direct property investment had fallen from 14.6 per cent to 10.7 per cent between 1981 and last June while property unit trust holdings dropped from 2.9 per cent to 2.1 per cent.

At the beginning of this year it looked as if property share prices were about to reverse the decline which had left the sector the fifth worst performer of 1982 in the Actuaries breakdown. Yet after an initial flurry of interest during the first few months enthusiasm soon waned and prices started to drift relative to the market as a whole.

On an annual basis dividend growth has been running about twice the rate of the market average and earnings have increased by around three times the market as a whole. Still, the sector could not hope for a long-term revaluation on the stock exchange. So long as the outlook for capital growth remained so dull.

Nevertheless the brokers' "Buy for Recovery" recommendations are at last having some impact. It is more than just a correction of an oversold position. A cautiously confident tone has crept into chairmans' statements about the industrial sector. Estates Property, for example, recently produced a small fall in its asset value but this was attributed to its office portfolio. Allnatt and Slough Estates have also pitched in with more optimistic statements about "industrial developments."

Quite obviously there is no runaway demand for industrial property—the economy hardly points to that—but agents are reporting an upturn in enquiries and the latest report from surveyors King and Company underlines the trend. King's four-monthly survey of industrial space is widely regarded as the barometer of industrial demand. During the period from mid-April to mid-August vacant industrial and warehouse floorspace decreased for the first time since 1979.

Meantime the buoyancy of consumer spending has livened up the shop market. Major chains have returned to the market for space and the institutions have been attracted especially to "secondary" sites. Institutional buying pressures have bid yields down from 9 to 6 per cent in some areas.

The third segment of the market, offices, is not quite such a happy picture. A Hillier Parker survey of office market activity for the six months to June showed an increase of a fifth since the beginning of the year in the amount of vacant space throughout the country. Even in London the market is off-colour. For example Land Securities has reduced the asking rent on Devonshire House by £3 to around £22 a sq ft. Moreover, it is understood the company is willing to let the building in separate floors, the hope of finding a single tenant having receded. That said, however, most of the bad news should be out of the way by now.

Vacant space

With the shares shaken out into firmer bands over the past couple of years the time looks right for a more prolonged period of relative overperformance. Of course the fundamentals of the direct property market still look far from healthy. There is a great deal of vacant space to be cleared before rental growth can be anticipated. Yet property shares prices should be moving in anticipation of better things to come. Stockbrokers Scringeour Kemp-Gee are talking of the sector outperforming the market by 10 or 15 per cent over the next twelve months.

Those companies with a bias towards shops should be among the winners, according to the firm. London Shop Properties, which is around 70 per cent shops, should do well, especially as it has a largish secondary shop portfolio.

Capital & Counties is also singled out. The chairman describes shops as the "cornerstone" of the business. The major regional shopping centres at Nottingham and Newcastle are worth nearly 50p a share, he said in the last report, and the Ridings Shopping Centre at Wakefield is on stream for this year.

Scrimgeour, Kemp-Gee picks out Slough Estates for the industrial content. Slough is the bellwether of the South-East industrial property market where the upturn will come first. With its well located portfolio offering good yields SKG believes Slough offers more potential than, say, Brixton Estates.

Property Security Investment Trust has some interesting developments in the South-East, both on the industrial and office front. The company has the added quality of having protected its asset value by a solid liquid backing. Listed investments amounted to £12.35m last March equal to 23 per cent of assets against 3 per cent in 1980.

On the office front the brokers say Land Securities is one of their favourites, with a good support from shops as well. Haslemere might also feature because of its quality City sites. Finally, MEPC might qualify among the sector features because it is a sound amalgam of all three sectors of the market.

One hangover of the sector's prolonged absence from buying lists is that prices generally still stand at substantial discounts to net asset values. Inevitably this adds an element of bid speculation into the game-plan. London Shop is still seen as a prime takeover target, even though eighteen months ago it underwent a marriage of convenience with Beaumont to thwart Rosehaugh's takeover ambitions.

London and Provincial Shop Centres is thought to be ripe for a bid. Rumours have it that there have been on and off negotiations. The chairman and joint managing director hold around 30 per cent of the equity between them.

Finally there is the old bid chestnut of Capital and Counties, where Donald Gordon's South African insurance group, Liberty Life, holds 30 per cent.

Who would do the bidding? If it comes it will probably be one of the more aggressively run property groups that pulls the trigger to fire off a bid. Any of the large ones could probably raise enough finance to go on the attack.

Terry Garrett

Insurance leads relocation moves

YOU WOULD have had to have your head buried deep in the sand over the past few months to have missed the London office decentralisation debate. Not that the debate has been a formalised argument across the floor of the "House," but more and more the topic of decentralisation is creeping into conversation.

The media has generally interpreted a clutch of large well-publicised moves as a definite indication of a growing trend. Some of the property agents have been less convinced although local authorities have become increasingly concerned about lost jobs.

The real problem is that since the Location of Offices Bureau was closed at the end of the Seventies there has not been a reliable data base on which to establish detailed argument. A recent survey by London agents Jones Lang Wootton, however, at last casts some objective light on the subject.

The JLW survey concentrated on large moves involving more than 100 jobs which, judging by past LOB statistics, implies that it covered around three quarters of moves out of Central London during 1979-82.

Having canvassed some 400 companies the researchers found 42 relocations and another 20 where reliable job statistics were not available but probably also fell into the "100 jobs plus" bracket. Some 54 of the companies were from the private sector and eight organisations from the public sector excluding central government departmental moves. These totalled seven during the four years of survey.

On the face of it there is an upturn in the level of moves from the low point recorded by the LOB and 1977 and 1978 but by historic standards the latest figures are still fairly modest.

The 62 moves recorded by JLW involved the relocation of 13,000 jobs. Again a relatively low figure by past standards. The average JLW move took in 206 jobs compared with the LOB's average of 284 between 1963 and 1978.

In terms of floorspace the latest survey suggests that all but four of the moves involved space being vacated in London. JLW estimates that decentralisation caused 2.2m sq ft of floorspace to come onto the market over its survey period.

South East

It is not surprising to find that the latest figures endorse the LOB ones when it comes to where people are moving. Companies moving out of central London are still largely sticking to the South East. The inner and suburban areas of London captured 37 per cent of recorded relocations by JLW and the south east as a whole took two-thirds of the moves.

However it does look as if companies are slowly moving further afield. While the South East may still hold 66 per cent of the moves out of central London, during the LOB's reign that figure was 76 per cent.

This trend may well reflect the higher proportion of industrial companies who have moved their head offices out of London. Many industrial takers of London offices feel that the soaring costs of keeping prestigious floorspace is no longer acceptable. And as the relatively prosperous financial sector seems willing to pay sky-high rentals some industrialists can no longer compete when it comes to negotiating for rents. It is these companies which are pushing further afield towards existing production or distribution centres outside the South East.

The largest single business category recorded by JLW over the four years was the insurance sector with nine relocations. That is not unexpected. The insurance industry has been resiting many of its clerical operations outside the City for years and the trend is unlikely to abate in the foreseeable future. For example Richard Ellis is currently handling a large move for Commercial Union. CU is giving up space in the St Helens to take 60,000 sq ft or so in Basildon Essex early in 1985.

Insurance aside, manufacturing sectors take the next three spots with chemical and related industries recording eight moves, engineering and electrical another eight and printing and publishing seven. As a proportion of the total, manufacturing accounted for 52 per cent of moves against 34 per cent on the 15 years of LOB statistics.

Not surprisingly the reasons for relocation have centred upon economy and increased efficiency. The highest single reason given by JLW respondents was centralisation/consolidation at 29 per cent of the reasons mentioned for moving with property cost saving coming second at 19 per cent and general cost saving coming in at 16 per cent. Very few companies mentioned expansion as a reason for relocating.

Likely trend

Looking forward JLW has tried to establish a likely trend of events through its survey. It sees at least 12 companies committed to moving out of central London in 1983. These 12 have either already gone or have got a fixed date to depart. JLW also has information on a further eight moves which will definitely take place but not until 1984 and another dozen or so are understood to be considering significant moves.

So what does this new survey suggest? There has been a small upturn in moves out of central London but the trend is not high by historic standards and nowhere near as dramatic as some commentators had believed. But that said the gradual move out of London is not coming to a halt and companies are pushing further afield in their relocations which must pose a question over future floorspace requirements in the capital.

T. G.

Market reports on this and the next page on conditions in London and outlying regions point to some improvement

Two-tier pattern hardens

The City

DOES the City of London office market continue to show the sort of robust bealth for which it bas become almost legendary? It depends on what street you are standing in when you answer.

While some of the more bullish property men enthuse about the remarkably solid atate of the "prime" City market the size of that vaguely termed area is shrinking. Beyond its moving boundaries there is a lot of City property being left out in the cold and feeling a long way short of healthy.

The reality of the London property sceen is that it is a complex jigsaw of small individual markets influenced by widely varying factors. While the core of the City, dominated by the banks, is breezing through recession with hardly a scratch the amount of vacant space beyond this banking sector is *rapidly increasing*. The prospect of a property market overwhelmed by unlet space comes one step nearer.

According to agents Richard Ellis in a recent survey, the City of London is the most expensive accommodation in the world. New York may top Ellis's league table of rents at £36.74 per square foot but the City comes out with the dubious accolade of winner once rates and service charges are taken in. According to Ellis a tenant can expect to face costs of £51 a foot in prime London space.

ICI, Commercial Union, Dominions Trust and Esso Petroleum are just some of the big names that bave announced plans in recent months to vacate all or part of their London beadquarters' buildings.

Yet wbile the desertion of some top flight companies must bave a very real influence over the property market—after all ICI's Millbank offices are bardly of modest proportions—it would be wrong to overplay the factor.

Inner core

The inflow of foreign banks into London and upgrading of existing premises by tha banking community has continued to underpin demand in the prime inner core, despite some well publicised partial re-locations sucb as those by Chemical Bank and Bank of America.

Figures produced by Noel Alexander Associates abow that the number of foreign banks operating in London has increased six-fold since 1960. Last year 31 overseas banks opened new offices in London while only two moved out. By the end of the year there were 428 and while the number of new entrants so far in 1983 may not be so marked the trend line is thought to be bolding.

However, the worrying statistic is the 4.75m of sq ft of office space that came on to the market during 1982, an exceptionally bigh figure. This year Ellis is expectiog new supply to be over 3.5m sq ft.

Nevertheless the overall picture is clear—there is a build up of unlet space especially in the fringe areas. It is those fringe locations wbere most new development is taking place.

The two tier structure of the City property market is becoming increasingly pronounced. In the prime banking area reots are holding steady around the £30 a sq ft figure for the very best apace and in some cases lettings are being achieved to indicate some very gradual increase in rents.

The peripberal locations, bowever, must be giving cause for concern among those developers beavily involved. The insurance and shippiog industries have provided little excitement for the property developers although at least they are not making a mass exodus. Otherwise demand is very patcby.

In geoeral most people feel confident about the long-term strengths of the City office market. Tbe fringe areas are going through e rough patch but given time the supply demaod equation will get back into equilibrium.

TERRY GARRETT

Gradual change in tenant profile

West End

THERE IS nothing inherent in the West End property market which says that landlords of even the most fashionable properties are always immune to the effects of severe recession. Tbe market has been weak over the past few years and the lettings outlook has not been strengthened by the glut of new developments which have been coming up for occupation for the first time.

Now that most forecasters are saying the recession is over and that at best recovery is properly underway and that at worst the position will not deteriorate further, the West End market is becoming highly selective.

Tenants still have the upper band but agents do see signs of an upturn in rental values in certain areas and for certain types of property. In broad terms the tenant profile is changing. Industrial users are less evident; many have re-located to fringe areas in an attempt to shed overbeads. So, reflecting economic movements generally, occupiers are now drawn very much from the service industries, although Government departments, oil companies and their adjuncts are still very much in evidence.

Agents often break the West End market into fiva distinct sub-sectors — Mayfair, St James's, Strand/Covent Garden, Victoria and the northern area bounded by Oxford Street in the south and Baker Street in the north.

Within these categories, the St James's and Covent Garden/Strand areas are enjoying stroog letting interest and are little encumbered by mnch over-supply. Mayfair is expected to improve slowly, although there is something of e development overhang, but Victoria is suffering beavy voids at present and the northern area, which agents say lacks any cohesive identity at the best of times, is still in the doldrums and likely to remain so for some considerable time.

Looking at the air-conditioned property market in the West End, which is one of the esseotial ingredients of prime space, agents *Leslie* Lintott and Associates say encouragingly that July and August were particularly busy mooths. During July, the agents note, 103,000 sq ft of air-conditioned offices were let in 25 units, the highest number of *lettings* in any ooe month since Lintot started its survey five years ago.

In August a further 91,000 sq ft were let in 17 units so the total of these two months gives 194,000 sq ft as opposed to the corresponding period in 1982 when 125,000 sq ft were let.

Agents Debenham Tewson and Chinnocks August monthly floorspace survey for the W1 and SW1 postal areas shows that available space now stands at just over 4m sq ft.

Richard Ellis says that tenants are currently being *sought for a total of* 4½m sq ft in the West End area, or for 8 per cent of the total stock. A relatively small proportion amounting to 1¾m sq ft is availabla in developments or buildings which have undergone substantial refurbishment.

Letting time

Some of the developments are already on the open market and a further ½m sq ft is let but e similar proportion remains to be openly marketed in schemes which are now neaning *completion*. The *agents* note therefore that "as availability in new developments currently stands at 1.7m sq ft compared with a take-up of 1.2m sq ft in the last calendar year, a reasonable time-frame will be needed to let new buildings."

In very broad terms, then, the West End market for new space should be coming back into better equilibrium in the short to medium term unless, that is, more manufacturing companies decide to pull their administrative people out of the area and the development industry gets the bit between its teeth again. It is worth noting that a number of very large schemes are now under consideration, particularly the second stage of the Victoria Station redevelopment and 11-13 Knightsbridge.

The secondary market—ill-located, over-large and out-of-date—will continue to suffer a very slow rate of take-up. Some 3m sq ft of secondary property is over-hanging the West End market and agents do not think the position will improve very much for a considerable period.

Planning permission has been granted for over 2m sq ft in the area, a quarter of existing stock, while the relocation of existing tenants from the area will edd an estimated 400,000 sq ft to the market; that is not counting any space that ICI will vacate on Millbank.

Something of the same picture emerges in the northern district, which also takes in Euston and Marylebona Road. Richard Ellis calculate that availability in tha district now totals 1.3m sq ft which accounts for around one quarter of all supply in the West End.

RAY MAUGHAN

Rising hopes of mild recovery

E. Midlands

HOPES ARE rising in tha East Midlands that the flurry of activity evident in the depressed industrial market in the first quarter of this year, but which appeared to fall away after Easter, can now be sustained.

The duration of the present recession has come as something of a shock to a region which took pride in the diversity of the local economy. Even now unemployment remains a *full percentage point below the national average*—but at 11.6 per cent that provides little comfort.

Agents have warned for the past two years that a quick turnround in the national economy could leave the East *Midlands short of suitable new units*. But few now believe that there will be an upturn sufficient to clear the present surplus of modern accommodation.

In common with other parts of the country, agents report that demand has been stronger over the past 18 months for secondhand and refurbished premises than for new rented property. Companies anxious to control overheads can cut rent and rates by going for a secondhand building of say *10,000* sq ft at a rental of £1 a square foot compared with perhaps £1.80 a square foot for the equivalent new property.

The drive to control costs has led many companies in a buyers' market to opt for freehold rather than leasehold.

Against that background, there is little new building and what there is tends to be pre-let or freehold.

Developers in the office sector face an even gloomier prospect, given the overhang of unlet accommodation from the speculative booms of the 1970s. In a quiet market, Nottingham and Northampton offer opportunities but these are strictly limited.

Leicester, as always, best illustrates the problem of over-supply. Vacant space stands at more than 600,000 sq ft and new office blocks that have already stood empty for 10 years are expected to remain vacant for another decade.

Rents in Leicester of around £1 a square foot for new offices have been an obvious drag on nearby Nottingham, the official regional capital of the East Midlands. But agents argue that time is on the side of Nottingham and that the development opportunities are now beginning to emerge.

Much of the vacant office space in Nottingham is concentrated in small suites and there is a growing shortage of accommodation offering around 20,000 sq ft. The hope is that the present balance of the market will swing to bring rents of more than £3 a square foot and encourage new development.

The retail sector in the East Midlands, while it has had to adjust to the reality of recession, has held up better than expected. Trading patterns have shifted, with retailers squeezed from above by unemployment and falling purchasing power and from below by the rising cost of rents, rates and labour.

ARTHUR SMITH

Whitehall team to promote investment

W. Midlands

THE LEVEL of commitment of the allegedly *non-interventionist* Conservative Government to the struggling West Midlands is likely to have a significant impact upon the property market.

There was widespread cynicism that the creation earlier this year of a so-called "Minister for the West Midlands" might owe as much to pre-election calculations of political advantage by an outgoing Conservative administration as to concern about the obvious *structural decline of the* regional economy.

Now the onus is upon Mr John Butcher, albeit a junior Industry Minister in the Government, to prove that the setting up of a specially recruited "innovation team" of senior civil servants can make some impact upon investment in the region.

Every little must help in an industrial property market where agents suggest there could be up to 30m sq ft of vacant accommodation — much of it outdated and fit for nothing more than demolition.

Upturn sustained

Ageots continue to report that more deals are being done; the upturn in activity noted in the first quarter has been sustained. But no one denies the improvement is from a very low base and that demand continues to be *stronger for older* freeholds than for the new units.

An important element of the political package that elevated Mr Butcher was the offer of help from the English Industrial Estates Corporation, a government-backed agency that normally confines its development activities to promoting schemes in the assisted areas.

Equally important to confidence will be the formation of the proposed West Midlands Industrial Development Association—a body whose role will be largely promotional but which marks the first move *towards* establishing a regional lobby.

Important as the new Development Association might be in projecting the region as a whole, its budget of around £300,000 is dwarfed by the promotional spend of Birmingham *City Council*.

Birmingham, as the biggest local authority, will not be merely pushing its strengths in the industrial field. The city council has already identified the importance of developing not just as an office centre but also as the location for the high-spending convention business.

Whatever the longer-term strategy for the region, Birmingham, as the prime office location, has been given a considerable lift by the developers.

Viking Property has achieved two large pre-lets to make possible redevelopment of the key six-and-a-quarter-acre Snow Hill station site. Work is also expected to start this autumn on the £35m redevelopment of Paradise Circus involving 180,000 sq ft of offices and a new hotel.

The number of office schemes planned or started in Birmingham indicates an underlying confidence about the commercial sector. On the industrial front, while prime sites can command a premium, the market is much weaker.

ARTHUR SMITH

Buoyant despite the troubles

N. Ireland

DECLINING industrial activity and Northern Ireland's special problems of political violence would seem likely to depress the property market. Yet much remains buoyant, particularly *retailing*.

The prime retail development this year—but by no means the only one—is the 100,000 sq ft Connswater shopping complex in East Belfast undertaken by Edinburgh-based Lamont Holdings, the property, textile, engineering and insurance group chaired by Sir Desmond Lorimer, the Northern Ireland businessman.

The two larger stores in the complex, covering 60,000 sq ft, were pre-sold, ensuring that the project would to a large degree be *self-financing*. *Letting* of the remaining units is almost complete and Lamont is anticipating a total annual income of more than £300,000 once the development opens at the end of October.

Mr Kevin Milhench, partner in leading commercial agents Milhench Crothers, says: "It depends on location, of course, but secondary as well as prime shopping space is relatively strong. Lettings in the top Belfast area are fetching an *average of £50 a sq ft and showing signs of increasing*."

Good warehousing in and around Belfast fetches rents of up to £1.50 a sq ft, perhaps a little more in the Enterprise Zone. Much of the warehousing space is in older buildings and some agents believe demand for quality space may be such that it will again be economical for developers to build. At present the level of rents does not justify that.

The Government still dominates the industrial scene. The Industrial Development Board (IDB) has 15 ready-to-occupy factories from 100 sq metres to 4,000 sq metres and is building another seven, as well as two more small workshop units.

Companies establishing manufacturing facilities in the Province can expect to pay factory rents of between £8.30 and £18.80 per square metre per annum depending on size, age, location and type of lease.

The policy of selling off Government assets in industrial property continues. IDB says sales have been agreed for 47 units. So far in excess of £2m has been realised but the final figure from those 47 should be more than £5m.

The private housing market has shown signs of an upturn. The best guide to prices is provided by a survey produced by the Royal Institution of Chartered Surveyors for the Belfast Telegraph.

This revealed an overall 8.5 per cent rise in the three months to July 31, spurred by a revival in the detached house market after a period in the doldrums. The house price index at July 31 was 120 (1979=100), which is a new peak for prices in the region.

ALAN WATSON

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Demand begins to trim surplus

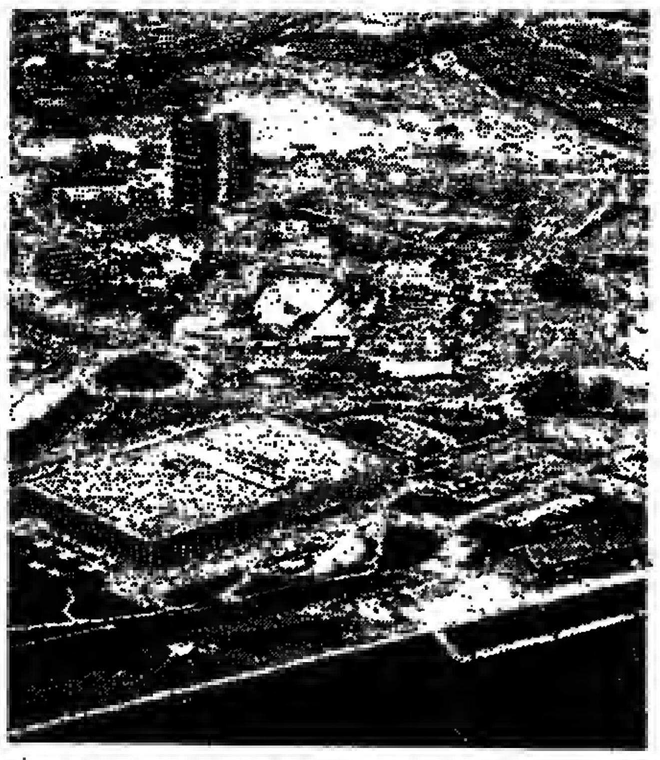
Wales

RECESSION or not, demand for new industrial space in Wales continues to grow. In the financial year ended March last, the Welsh Development Agency (WDA) exceeded its 1981-82 lettings performance of 1.5m sq ft of advance factory space, which was itself a record in the agency's eight-year history.

The improved demand is partly because of an unprecedented marketing effort and to a relaxation in the criteria governing lettings—the agency is now able to let to service and warehousing companies as well as manufacturing industry. But the agency—which dominates the Welsh industrial property market — also noted a distinct improvement in the level of serious inquiries and take-ups from last October onwards and, so far at least, the greater interest is being maintained.

That said, the WDA still has a very long way to go before the large amounts of factory space built under the steel closure area crash programmes in the late 1970s and early 1980s are absorbed. Combined with the many casualties of the recession, these programmes pushed the WDA's percentage of empty premises in its total property portfolio up to 15 per cent. Despite the record level of lettings and the earmarking of a significant proportion of old stock for demolition and redevelopment, the percentage of unlet space still stands at over 14 per cent.

For the time being, therefore, the agency has adopted a policy of replenishment—smaller-scale factory building programmes initiated as demand dictates in order to maintain an adequate supply and range of factory sizes in different locations.



Swansea's ambitious south dock redevelopment. The area is being transformed into a marine and maritime quarter

Rental growth has slowed down but, in contrast to many other UK areas, has not dried up altogether. Small WDA units in attractive locations are currently making £2.75 to £3 a square foot, while at the other end of the price range, large units in less attractive locations are commanding £1 to £1.20 a square foot.

An interesting new departure for the agency is the construction of a speculative £3m 60,000 sq ft high technology centre on Deeside Industrial Park, in association with Clwyd Council and the North East Wales Institute. It also announced plans recently for a comparable centre at Cleppa Park, near Newport, Gwent.

A similar initiative is being undertaken by Cwmbran Development Corporation. In this instance, its high tech centre is being promoted as the centrepiece of the Llantarnam Industrial Park expansion. Mid-Glamorgan Council, meanwhile, is well advanced with plans for a new science park near Bridgend, which has already attracted one important U.S. micro-electronics subsidiary.

In the office market there has been no immediate follow-up to Chemical Bank's relocation of a major part of its UK operations from London to Cardiff but work has started on Fitzalan Court, a major new Cardiff office development. This is a 120,000 sq ft development by campaign properties in suites of 4,000 sq ft to 30,000 sq ft, aimed at the regional headquarters market. The asking price is £6 a sq ft compared with £5.75 recently achieved for two further lettings in Sunlife's nearby Langcross Court.

The prime city centre retail market is reported to be remaining sluggish but superstore developments, on the other hand, are continuing apace. A new Sainsbury's is close to completion in East Cardiff and another is planned in the north of the city as well as at Swansea. In west Cardiff, Tesco has just acquired a prime 27-acre site from the land authority for Wales at Culverhouse Cross.

The new urban development grant scheme is also proving a useful stimulus to the Welsh property market. The first allocations have persuaded Holiday Inns to go ahead with a new £9m hotel in Cardiff and Miami-based Ocean Properties to undertake their first hotel development in Britain—as part of Swansea's ambitious transformation of its south dock area into a marina and maritime quarter.

Now there are plans for the comprehensive redevelopment of 154 acres of Cardiff's dockland area. In order to meet the UDG scheme deadline, potential developers were being invited to submit schemes this month and Heron, McAlpine, Dale Kennedy Partnership and Tarmac were all reported to have been preparing bids. The eventual cost of the redevelopment—assuming it gets off the ground—is put as high as £300m.

Looming on the horizon is one of the biggest Welsh commercial property sales ever—the disposal later this year of Cwmbran's shopping and commercial centre. Provided it can find the right purchaser, Cwmbran Development Corporation is proposing to sell the centre, which includes 270 shops totalling 772,450 sq ft and some 204,000 sq ft of office space, as one lot.

ROBIN REEVES

Still one of the weakest sectors

The North

THE AMOUNT of industrial floorspace developed last year in the North of England's most concentrated manufacturing area was the lowest for four years, according to a report by Greater Manchester's metropolitan county authority. At 225,000 sq metres it was little more than half of that in 1980.

Although the county has yet to begin compiling comparative statistics for 1983, a downward spiral in industrial development to a level below last year appears to be taking place.

Manchester is only one urban area in the North and industrial floorspace development is only one yardstick for activity in the market. It underlines, nevertheless, the generally low state of construction, selling and renting across the North West, Yorkshire, Humberside and the North East.

This is not the whole story. Nationally, there is evidence that the amount of warehouse space on the market has been falling because of demand from new service operations or the re-location of existing distribution companies needing more space. Even here, however, the North, while reflecting this pattern, does so only in a weaker form.

There are pockets of development and certain types of property which tend to buck the overall depressed trends. Access to good motorway communications is of rising importance and in some areas small units near motorway spurs have been commanding respectable rents. Starter units in Cheshire and on Merseyside and elsewhere are in big demand.

Activity in some of the enterprise zones has been higher than elsewhere which is hardly surprising given their incentives. The North's clutch of enterprise zones are to be, or have been, joined in the last few months by those for West Cumbria, Middlesbrough and Rotherham.

Standing empty

Many of the huge manufacturing complexes standing empty—testaments to structural economic changes and the recession—will remain empty, however, whether they are in or out of the enterprise zones.

With the depressed state of purchase prices, the trend towards the freehold purchase of single storey factories has been maintained as have the many incentives on offer from developers and local councils.

Inquiries, too, in prime areas of the North West, Yorkshire and Humberside have been rising. Many agents, however, say this has still to be translated into any significant upward trend in the take-up of premises. Some have been saying that for a year though some properties have been shifted this year that would not have been in 1982.

The English Industrial Estates Corporation, with its headquarters and much of its work in the North-East has been witnessing a fair amount of take-up but has reported a drop in the amount of industrial floorspace under construction.

The August floorspace survey by King and Co, which excludes premises of less than 5,000 sq ft and multi-storey mills, reveals significant changes over recent surveys.

For the North-West, the amount of available factory space between mid-April and mid-August rose from 15.9m sq ft to over 16m sq ft. Warehouse space dropped from 15.5m sq ft to 13m sq ft. Overall there was a drop in available industrial/commercial floorspace.

Yorkshire and Humberside evidenced a similar though less-marked move, factories up from 15.5m to 15.7m sq ft and distribution space down from 7.8m to 7.2m.

The North-East, as it has been since the summer of last year, is a slightly different picture. Factory space fell from 8.5m to 7.8m sq ft between April and August and warehouse rose from 2.5m to 2.8m sq ft.

The April survey for the North-East showed a slight decrease in factory space as against a 30 per cent jump in the December survey. Some of these changes reflect the demolition of premises or their removal from the marketplace, the entry of some very big properties on to the register last December as well as the lease or sale of big units. A 460,000 sq ft factory was sold in Durham earlier this year for example.

In the North-west, older traditional single storey factories are selling for up to £5 per sq ft but some turn of the century units in not so favourable positions might go for about £1 a sq ft. Freehold purchase of brand new factories is in the range of £20 to £28 a sq ft.

Some agencies say there is a slightly faster take-up than for the previous three years. Immediately outside the Trafford Park enterprise zone in Greater Manchester the 100,000 sq ft former Automotive Products plant has been sold for about £1 a sq ft. An 82,000 sq ft factory with three acres of parking land is being let at £100,000 a year.

In Yorkshire, Leeds and Wakefield have been perkier in some respects than the rest of the region. One agent quotes an average figure of £9 a sq ft for a 40,000 sq ft plus factory up to 20 years old.

In West Yorkshire's prime areas, rents can range up to £2 to £2.35 per sq ft for the best smaller properties. Outside the prime areas they might average £1.40 to £1.75 in Yorkshire and £1.20 to £1.60 in Humberside and the North East.

Rents for the best office property range from up to £7 a sq ft in Wilmslow, Cheshire, £5.50 in Manchester and Leeds and £4.50 to £4.75 in Liverpool and Newcastle.

NICK GARNETT

Chinks of light in the gloom

Scotland

SOME features of the Scottish property market belie the continued recession in the region.

Unquestionably Scotland is still caught in the grip of a slow and painful shakeout of its traditional heavy industrial base, but there are some contra-indications within the property sector.

Glasgow is emerging as a prominent service centre; Edinburgh's housing market is strong enough to see hotels close for conversion into flats; Aberdeen looks to renewed activity accompanying further offshore developments.

Apart from these developments a fundamental reappraisal of the industrial property scene throughout Scotland is underway. In the past decade this has been an area dominated by the public sector. The Scottish Development Agency (SDA) has used advance factory space as a fundamental part of its policy to encourage industrial growth and inward investment.

The SDA's activity in placing factories in the way of new industries has meant that, with the exception of Aberdeen, the private sector has lost interest in industrial property.

Now the SDA, the region's largest industrial landlord, has embarked on a long, hard look at its approach to property. The review could take months but if the agency's performance in persuading reluctant private interests to participate in other industrial areas is anything to go by, the private sector may well be encouraged to join in new factory development.

The agency has already taken an active interest in other large non-industrial projects such as the £36m Scottish Exhibition Centre on Queens Dock near Glasgow city centre and the proposed shopping and office complex at St Enoch Square.

Glasgow cannot be written-off as a relic of the Victorian industrial past although some of its finest buildings in the core of the city date from that era.

Life stirring

New life is stirring in the city. Along the motorway which once slashed through the blighted central area new hotel and office blocks have grown up. If anything, the motorway—which once emphasised the need to get people out of decaying Glasgow into new communities outside the city—is now bringing people back to a different city.

Britoil's planned new 400,000 sq ft headquarters overlooking the motorway, along with two completed hotels and other office development nearby, demonstrate this new service interest.

Agents Richard Ellis note the lack of high quality office space in the city centre but developers still expect rents to break through £7 a sq ft soon.

Aberdeen's property market hinges on the fate of the offshore oil industry. Oil prices and interest in new rounds of licences for offshore exploration are watched carefully by developers.

One sign that the oil boom has peaked has been the surplus in office space; about four years' supply will soon be available. But the movements of large oil companies taking up big chunks of space has tended to distort the office market in a small city of about 212,000 population.

The last Budget stimulus to new offshore exploration could well see new operators and subcontractors setting up base. Competition for oil company tenants has led to short leases in the city as companies press for good property deals.

In the area of industrial space agents Drivers Jonas noted last March that demand was down on the previous six months but that the city could count on an annual take-up of around 560,000 sq ft.

The market will be watching closely the interest in St Magnus House developed by Fred Olsen, the Norwegian shipping group. The eight-storey building offers 79,593 sq ft of office accommodation.

In Edinburgh Kenneth Ryden recently reported a sharp increase in the level of inquiries for office space. This was good news for a city with a traditional surplus of office accommodation. Rents have been around £5 to £5.50 a sq ft and well below those in Glasgow or Aberdeen.

Demand for quality flats in the city centre has meant that recently two elegant Georgian terrace hotels have been bought for conversion into flats.

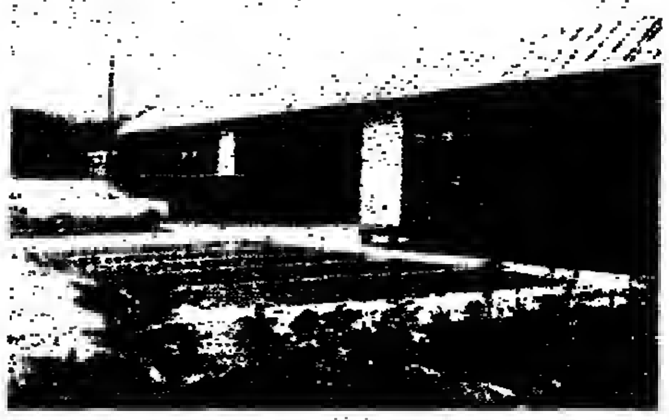
With the return of summer tourists Princes Street, the main shopping centre, hopes for an upturn in consumer spending to offset its rate burdens.

The city council has proposed the development of a conference and shopping centre on Lothian Road behind the Caledonian Hotel, and work is already under way on a £12m shopping centre beside Waverley Station.

MARK MEREDITH

Prime Industrial Rents
(£ per square foot)

	1973-74	1975-76	1977-78	1979-80	1980-81	1981-82	1982-83	1983-84	Compound Growth 1973-83 %
Croydon	1.20	1.50	2.00	2.40	3.25	3.50	3.40	3.50	11.3
Heathrow	1.25	1.75	2.00	3.00	3.25	3.50	3.50	3.65	11.3
Park Royal	1.20	1.70	1.90	2.75	3.25	3.50	3.50	3.65	11.8
Tower Hamlets	1.00	1.30	1.60	1.90	2.25	2.40	2.45	2.45	9.3
Basingstoke	0.80	1.00	1.20	1.95	2.70	3.00	3.25	3.00	14.1
Birmingham	0.70	0.95	1.25	1.75	2.00	2.25	2.20	2.25	12.4
Bristol	0.70	1.15	1.25	1.70	2.00	2.25	2.25	2.25	12.4
Cardiff	0.70	1.00	1.20	1.50	1.75	1.90	2.00	2.00	11.1
Crawley	1.15	1.40	1.65	2.60	3.25	3.40	3.25	3.25	10.9
Glasgow	0.65	0.95	1.15	1.50	1.65	2.00	2.25	2.25	13.2
Leeds	0.75	1.00	1.25	1.80	1.90	2.00	2.00	2.00	10.4
Luton	0.90	1.25	1.35	1.85	2.00	2.30	2.50	2.50	10.8
Manchester	0.70	0.80	1.20	1.60	1.90	2.00	2.20	2.20	12.1
Milton Keynes	0.75	1.10	1.25	1.80	2.00	2.30	2.40	2.40	12.3
Reading	1.00	1.50	1.75	2.50	3.00	3.50	3.50	3.50	13.3
Southampton	0.80	1.05	1.25	1.40	2.25	2.40	2.40	2.50	12.0



Advance factory in the Newcastle Enterprise Zone. The demand for factories remains very fragmented from one part of the country to another

Fall in empty factory space

FOR THE first time in more than three years the volume of empty factory and warehouse accommodation chasing reluctant buyers is falling.

Figures published last month by agents King and Co showed 169.5m sq ft of industrial space on the market this autumn in England and Wales. That is 4½ per cent less than last spring when King and Co reported a record 177.6m sq ft on the market.

Not since December 1979 has the agent's three-yearly floorspace survey shown a decline in the level of accommodation available. Reasons for the improvement—recovery is too rich a word in this context—are varied.

Investment in new properties has picked up as the volume of properties coming on to the market—through new development and factory closures—has fallen. Buildings which have lain dormant for many months have also been removed from vacancy lists simply because they have been demolished.

Owners carrying the heavy and unrelieved burden of maintaining and keeping secure unproductive premises have increasingly been accepting the inevitable and have called in the demolition experts.

Mr Douglas King, senior partner of King & Co, estimates that up to a quarter of the industrial floorspace presently on offer "is not economically justified and ought to be demolished."

The scars of recession are clearly visible on Britain's industrial landscape and will take a long time to heal. Very extensive amounts of accommodation remain unsold and unlet. Many thousands of empty factories and warehouses are destined to remain empty and derelict indefinitely despite the recent upturn in demand.

The 169.5m sq ft of industrial space on the market in September is still the third highest total ever recorded in England and Wales, says King and Company. It compares with just 53.8m sq ft on the market at the end of 1979, when the recession was just starting.

Tempt

In the past few years industrial rents in many areas have seen little or no increase as supply of properties has substantially outstripped demand. In some cases rents have declined when special deals to tempt tenants are taken into consideration. Marketing ploys from substantial rent-free and local authority rate-free periods (most common) to a free car (an act of desperation) have become features of the industrial property market in the 1980s.

Against this background developers have become as selective as tenants about how, when and particularly where they are prepared to take on developments. It is not facetious to suggest that for many industrial property investors, commercial reality really does end north of Watford.

The pace of new development has slowed following the mini-boom of the late 1970s—which lasted well into the early part of this decade as schemes proposed and started in a more benign economic climate were completed. Fewer schemes are now coming off the drawing board and investment finance is much harder to find.

According to King & Co's latest survey the level of new building work—developments under construction and due for completion within six months—fell from 11.8m sq ft to 10.4m sq ft between April and the end of last August—a decline of 11.7 per cent.

More encouraging is the fact that the reduction in available floorspace—partly aided by the downturn in building activity—has been achieved almost right across England and Wales.

"There have been modest decreases [in floorspace available] in all regions except for the East Midlands, where there has been an increase. The largest decrease is indicated in London and the Home Counties—particularly Home Counties South where there has been an appreciable fall. Our regional offices report steady but modest demand. The decrease for warehouses in the West Midlands is partly due to further demolition," says King & Co.

What does this mean, however, for prospective tenants and owner occupiers? Are rents set to rise again? How long before shortages emerge for the most sought after categories of properties—particularly if new development slows?

There are no easy answers. The market remains deeply fragmented. Factories and warehouses in strong demand in one part of the country might remain vacant for many months in another. More than ever it is a property's location that is the crucial factor in deciding its value.

For example, a businessman willing to settle on Merseyside will find a wide range of surplus premises on offer and is in a very good position to negotiate concessions on rent or purchase price.

Corridor

The same businessman looking for accommodation to West London in the highly successful commercial property market around Heathrow airport can expect to pay top prices for industrial space—if he can find the type, size and quality of space he is looking for.

Rents for top quality premises in shortest supply along the so-called Western Corridor can be as high as £4 a sq ft—plus, although average prime industrial rents around Heathrow are around £3.65 a sq ft, according to a recent study conducted by Debenham Tewson and Chinnocks.

The accompanying table published by Debenham Tewson illustrates the disparity in prime rents among various regions. It also shows how rents have stagnated in some areas during the past two years. In some cases rents have fallen in cash terms as well as in inflation-adjusted terms.

A similar national study published by Healey and Baker in August further illustrates the flat market conditions. The agents said: "Of the 44 rental points considered over the past year 36 have remained static, 5 have increased and 5 have fallen.

"Over the longer term average rental growth between June 1977 and June 1983 was 8.7 per cent per annum compound against the Retail Price Index, which increased by 10.5 per cent per annum compound.

"As would be expected on a regional basis, the southern part of the country has seen an average growth over the past six years of 9.7 per cent in comparison with the north, which saw only 7.9 per cent per annum compound over the same period."

The industrial property market has clearly picked up over the past few months but there are still wide tracts of factory and warehouse accommodation lying unused. Things are no longer getting any worse but recovery remains some way off.

Andrew Taylor

Higher shop rents following expansion

THE SEPTEMBER re-rating of prime shop property—a token tenth of a percentage point from 3.75 to 3.65 per cent, on Healey & Baker's latest calculations—was almost inevitable in view of the way this year has gone.

Since the summer of 1982, when yields rose by an arguably meagre 0.25 per cent, news from the industry has been broadly encouraging.

The spring and early summer of this year saw improved trading results from the leading retail companies. Over the 12 months to March last the volume of retail sales rose by 5 per cent.

H & B commented in September: "The real increase in retail sales (a 5 per cent rise in the index of sales volume in the last 12 months) has encouraged retailers to evaluate and overhaul their trading policies in anticipation of an expansion programme."

Many companies, they said, seem set to spend substantial money on revamping their trading images and their trading accommodation, which would undoubtedly lead to a number of relocations and new branches. "The inevitable consequences," they maintained, "seems to be an increase in rental values beginning to find its way through to investors at the end of 1983 and beginning of 1984."

There is a strong argument that institutions, which enjoyed rapid growth in the 1960s and 1970s by buying heavily in the office sector, will seek to redress the balance by increasing the percentages of the portfolios in the shopping sector.

One question which may have been answered this year is where they will find the opportunities. When MEPC beat Heron and Bryant Properties last March in the bid to carry out the central area redevelopment scheme in Leamington Spa, Warwickshire, it was noted that the project was one of the few remaining substantial town centre redevelopment opportunities in the UK.

However, at the same time delegates to the International Council of Shopping Centres conference in Monte Carlo were being told where they should look.

Edward Whitefield, chief executive of Management Horizons, indicated the need for a radical reassessment of shopping centres, their aims and their targets. Without that he thought that many shopping centres developed in the 1960s and 1970s could face bankruptcies and voids in the 1980s.

He saw independents, small stores, traditional department stores, variety stores and mail order houses in decline. "Some retailers will not make it into the future," he said: "traditional department stores and variety stores will die." Death, he reckoned, came from standing still or ignoring customers.

Wyndham Thomas, outgoing general manager of the Peterborough Development Corporation — which walked off with a top award for its new Queensgate covered regional shopping development—backed up the need for change.

"Open and part-enclosed centres of the 1960s and some of the 1970s are getting distinctly untidy in character," he said.

Safer

"Middle income shoppers especially will tend to stay away unless centres become much more attractive, safer and more comfortable," he maintained. "Refurbishment is essential if owners are to hold or increase their share of the market; otherwise other developers will step in."

The theme of refurbishment was taken up again in May when Sir Terence Conran, international designer and chairman of Habitat/Mothercare, linked with chartered surveyors Michael Laurie and Partners to inject life into old shopping centres.

Conran Associates, the Habitat/Mothercare international design and marketing subsidiary, brought into the partnership the experience it gained on the interior design of Europe's largest shopping centre, the 1.2m sq ft Les Quatres Temps at La Defense, Paris. Michael Laurie is involved in the renovation of the former Swan and Edgar store in London's Piccadilly.

Mr David Salter, Conran Associates' managing director, made a telling point. He said that unless action was taken on some of the outdated centres built in the 1960s they would become decreasing rather than increasing assets.

Sir Terence was, of course, taking a leaf out of a relat well-thumbed book. Ro Fitch, of designers Fitch Company, says his firm is w ing now on a bakers' doz refurbishment projects, an half of these in the UK.

It happens that a lot of landlords of the present centre schemes are l authorities. It occurred observers at Monte Carl point out that instituti funds were well condition how to the finding, purch refurbishment and subseq revaluation of office prop and that its retailing they c find themselves with smal major new outlet.

Events elsewhere beg question whether concentra on "prime" is absolu necessary. Earlier this yea John Hugh Jones, chairman London Shop Property, that retailing had been badly wrong where the r were highest.

London Shop, which inv in secondary shop property, trebled its capital base to £100m in two years—and off overtures from two co ate "raiders"—McLeod Ru and then Rosehaugh—into bargain. It raised money in spring of 1981 at 9 per c said it could invest to c that and did.

Certainly there seems to a feeling that institutions spread their bets further in shop property market. He and Baker say they expect see shopping portfolios shops, offices, flats and number of other elements any number of permutation attract strong support fr some quarters and extr distaste from others.

Yet mixed developments still being done. The fact many of them are refurb ments, where a departm store has found itself out place and out of date, says m for the restless spirit Britain's shop property mar and somewhat less for imagination.

William Cochra